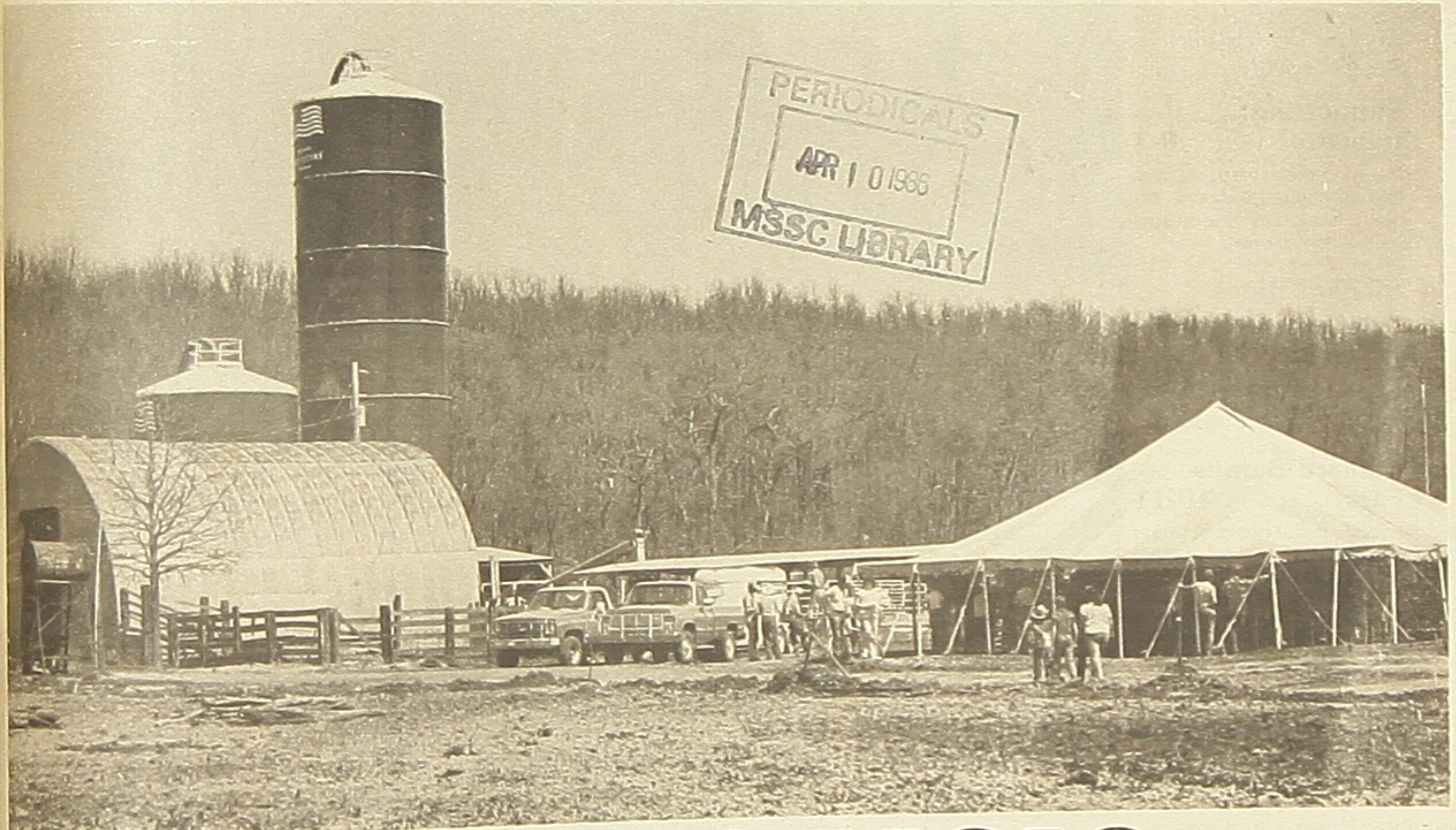


MAGAZINE

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FARM CRISIS:

Farmers face tough economic times in rural Missouri



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A look at the Richard Bloss family farm, a surviving dairy operation in Southwest Missouri.



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Confronted with tough economic times, the Richard Barnes family is forced to sell out.



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Mark Elliott, a farmer determined to make his operation work with a 'tough as nails' attitude.

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Down on the farm: Farm Magazine staff (left to right): JoAnn Hollis, Mark Ernstmann, Pat Halverson, Simon McCaffery, Martin Oetting, and Nancy Putnam. (Photo by Shaun LePage)

Staff Commentary:

Introductory notes on the farm crisis issue

From time to time, *The Chart* finds itself in a situation where a national or state problem is affecting many students at Missouri Southern. In these situations, we feel it our duty to report on such events to further inform our readers.

The farm problems are national in scope, but particularly brutal to Missouri's agriculture-dominated economy. We've heard about farm problems for several years, but only recently have the problems hit Southwest Missouri so hard that they affect our College.

Many students—and faculty—at Missouri Southern are directly or indirectly involved in farming. As a result, *The Chart* decided to delve into the complex issues surrounding farms in Missouri. We hope this supplement will provide information for everyone, but especial-

ly the farmers in our school and in our region of the state.

This has been a tremendously time-consuming project. Planning began in February, and the long process of gathering information and conducting interviews spanned a good month. We hope the supplement proves to be worth the efforts.

Journalists are not supposed to be swayed by what they report. They must remain objective. In this supplement we have been objective in our writing. But in the many interviews with farmers, bankers, and other agricultural workers, we all felt deeply moved by the problems facing this group. Perhaps this culminated in the auction last Saturday when a Lawrence County family sold much of its farm equipment and livestock. The emotions of the family as tractors and

livestock sold gripped all of us witnessing the tragedy.

We must state that this supplement represents the best we could do with the personnel and time available. The project could easily have spanned a year and been several times as thorough. We were not able to contact every realtor, every banker, and certainly not every farmer. We received information from whom we could, but the information portrayed here does not necessarily represent the feelings of all persons in the occupation.

On the next page appears an overview of the farm problem. It is designed and written to be read before the remainder of the supplement. Hopefully, it will provide a clear, basic picture of why farmers are where they are now.

We hope our readers find use with the supplement as it contains

much valuable information not previously recorded. Stash it away where it will be available for further reference.

We must also say that the farmers appearing in the supplement do not necessarily represent the majority of farmers. Many are faring well in these tough times. They are to be commended for their successful efforts.

We've travelled to Columbia, Jefferson City, Carthage, Nevada, Mo., Vernon, Sarcosie, Webb City, Neosho, and many other remote locations to bring you the supplement. We've milked cows, talked to implement dealers, visited with legislators, taken rides on tractors, and trudged through mud and manure to gather the information. Hopefully, we have gotten to the root of the farm situation in Missouri.

Acknowledgments:

Special thanks to: Larry Harper, Missouri Ruralist Magazine, Citizen's Bank of Nevada, Boatmen's Bank of Nevada, Farm Bureau Insurance-Nevada, Wheel Realty-Carthage, New Holland Implement-Carthage, Lawrence Implement-Carthage, Richard Bloss family, Richard Barnes family, Dr. Conrad Gubera, Ron Grieb, Jim Netherton, Bob Kemp, Senator Richard Webster, A. John Baker, University of Missouri-Columbia Extension Service, Larry Lee, Mark Elliott, Contract Freighters, Incorporated-Joplin, Jean Campbell, Chad D. Stebbins, The Carthage Press.

Missouri Ruralist editor Larry Harper:

Why many Missouri farms are in trouble today

by Martin Oetting

For years, farming was the occupation successfully held by a majority of Americans. A large sect of the U.S. population was involved directly or indirectly with the production of crops and livestock. It seemed unlikely the status of farming and agriculture would ever be so low that thousands of farmers would be forced to leave the occupation for more lucrative employment.

But in the 1980's, that is just what is happening. Farmers are faced with tough economic times, and as the reports say, they "have been hit from all sides at once."

A barrage of reports detailing small facets of the farm problems in the U.S. have surfaced in the media. To the outsider—those not directly involved in farming today—the reports may be confusing. To weed through the farm crisis jangle, so to speak, *The Chart* staff met with Larry Harper, editor of the *Missouri Ruralist*. Due to his connections not only with farmers but with state government and other organizations, Harper has an objective insight on all aspects of farm problems in the state, and was able to acquaint the staff with the central problems that have led to foreclosures and failures of Missouri farms.

Land Value

According to Harper, the first problem that faced Missouri farmers was the devaluation of land. Farmers found they no longer had equity—the money value of their property in excess of claims or liens against it.

The problem began, Harper said, in the 1970's, when farmers used equity values as collateral for loans. At the time, the equity value of land was high and farmers used this factor to influence their ability to borrow money for operating expenses, personal expenses, or to purchase even more land.

This situation is risky, and the farmers lost to the risk in the early 1980's.

"We were hit by four bad weather years," Harper said. "The farmers suddenly found they couldn't pay back operating loans against their equity."

The problems for farmers had started. The next symptom, according to Harper, was the fact that land prices dropped considerably, and farmers could no longer use low value land as collateral for loans. This put the farmers in a dangerous economic situation.

World Grain Market

Perhaps the greatest factor creating the problems facing farmers now has been exports and the grain markets. The U.S. competes against several other countries in the grain export market selling to needy countries. Due to



federal policies which regulate and set the export price of U.S. grain, the American farmer found that no other countries were interested in purchasing grains from the U.S. since its price on the market was considerably higher than that of other competing countries.

"We weren't able to match their prices," Harper said. "We held prices above what the other coun-

tries would pay, and as a result lost our export market." The farmers were forced to accept whatever the government would pay for grains.

The American trade deficit has also thrown monkey wrenches into the agriculture economy. Since the dollar is very strong in world currency, Americans can buy Japanese automobiles cheaply, but the Japanese could not buy

American grain cheaply.

As a result of these situations, many things happened at once to further stun the American farmers. Due to the declining market, the U.S. began to build up a tremendous surplus of grain. This further depressed the markets since there was simply too much grain available.

Interest rates

Interest rates also began to jump abnormally. Farmers who borrowed money at variable interest rates found that the 9 per cent rate they borrowed the money on suddenly jumped to 13 per cent. Many found they were paying 50 to 60 per cent more interest.

Machinery costs

At the same time, farmers found the price of machinery and farm inputs skyrocketing. In the past ten years, the price of a tractor has doubled. Thus, as Harper said, the farmers "were caught in a no-win situation."

The sad result is bankruptcy, foreclosures, and escape. Hundreds of Missouri farmers have filed bankruptcy and left for other occupations. Others have attempted

to reorganize the farms. Many have simply sold out. But as Harper pointed out, many farmers are doing fine despite hard economic times.

"The farmers who are doing OK still have high equity positions," he said. "They don't owe a lot of money. As long as they have money with no high debts, they will probably weather it."

As a result of the farm problems, the federal and state governments have stepped in to do what they can. The federal government passed a farm bill designed to alleviate some of the aggravants bothering agriculture. The state has set up means to offer low interest loans to farmers and is involved in special programs aimed at helping farmers become better financial planners and businessmen.

"Many farmers respect the farm bills. They know it's not the best, but it's the best option they have to get us out of this," Harper said. "Others feel the government should do more for agriculture. These are mostly those who are grasping for straws—the desperate ones."

Overcoming the crisis

Harper gave his views on how the U.S. can overcome the farm crisis.

"First, we must produce the cheapest products in the world so that we are able to compete on the world market," he said. "We must produce products and market and process them for the consumer market. We have to find a market niche to get higher grain prices for the farmers."

"Finally, we must invest in research and extension. We have to teach farmers how to do it."

No one knows what the perfect solution is. For now, farmers must cope with a difficult economic situation and hope things will turn in their favor in the years to come.

Factors of influence: (Above, land values behaving abnormally cause instability for Missouri farmers. (Left) Farmers congregate during an auction. (Below) Machinery repair costs have also plowed into farm profits. (Photos by Martin Oetting)



Loans, bankruptcies, foreclosures:

Banks intertwined in farm problems

By Simon P. McCaffery

While more and more Midwest farmers are becoming familiar with black words like "bankruptcy" and "foreclosure," commercial and agricultural banks are also feeling the sting of the farm crisis.

Predictions and estimations by agricultural experts point to several areas in the past year where problems on the farm have affected banks and the financial system.

The economic forecasting firm of Wharton Econometrics last year predicted that lenders would have to absorb up to \$25 billion in losses over the next few years. Many farm economists warn that the strain of unpaid debts and foreclosures that do not produce returns on assets may cause widespread failure of small country banks. The federal farm credit system, a national cooperative that accounts for one-third (\$70.7 billion) of all farm debt, was forced to turn to the federal government to bail it out after plummeting land values and investor confidence eroded the organization.

Common problems

Many farmers operating today are suffering from lower crop prices, earning less than they did in the agriculture boom of the 1970s. Most farmers in deep trouble have sales between \$40,000 and \$500,000 a year. According to studies by the U.S. department of agriculture last year, an estimated one-third, or 200,000 farms, are in danger of failing or are "financially stressed." Many farmers across the nation, and in the immediate cities and communities, are finding it im-

possible to pay the interest on their loans. Often, the situation deteriorates until the possibilities and choices are grim ones: farmers may have to declare bankruptcy and liquidate their assets to pay off their loan, or work with their bank in hopes of reorganizing their financial situation.

Many Midwest farmers share a common problem. They are burdened by interest on the money they borrowed earlier, or by acreage bought at the wrong time. Locally, the same problems apply. Wayne Reinert, an agricultural loan officer for Boatmen's Bank in Nevada, agrees, saying that Vernon County has one of the "highest rates of bankruptcy in the state."

"The theory is that a lot of people in trouble bought land at too high prices in the 70s," he said. Equipment is a status symbol. Some farmers are in dire straits. Some put themselves in the position—the government didn't tell them to buy that equipment.

"The situation over the last few years has hurt farmers; some haven't been able to pay their loans."

Dean Derks, president of Citizens State of Nevada, believes that many things have contributed to the affects of farm failures, and their affects on banks.

"There are a lot of things that affect the farmer," he said. "Weather, low prices on crops, and taxes, with them not having the income to reduce their debt. They cannot even pay their interest."

In some cases, the plight of some farmers' financial woes can be astounding.

"It's actually mind boggling to see

how the farmer could have gotten so deeply in debt," said Derks. "It's part the fault of the financier—but also poor judgement on the farmers' part."

Loans

Today, getting a farm loan is a different, cautious process that speaks of necessity and good judgement.

"When a farmer comes in for a loan, the bank looks at the financial statements and net worth, and cash flow," Reinert said. "When the bank looks at cash flow, back debts are considered. Most farms on their own have cash flow; back debts are applied to cash flow now."

Documentation has become more prominent in loan applications, according to Derks.

"There's a lot more documentation now," he said. "A few years ago, very few banks required cash flow projections and appraisals. They allow the farmer to see in black and white what the future projections are—but so much depends on the crops and the weather. But it is still a guideline, a guide to what they can expect."

Derks says that banks try to guide farmers in their decisions, and do not attempt to sweeten the farmer's situation or mislead them.

"We try to point out unrealistic information or unreasonable dreaming," Derks said. "They should be conservative—if the projections are conservative, you feel pretty good."

Outside income can also serve to aid farmers seeking additional financing through their banks. If the farmer or his wife holds a job off the farm, the additional, steady money can help stabilize their situation.

"If farmers come in for a loan and they have a wife who works or he works part-time or both, chances of a loan increase," Reinert said. "We are seeing a lot of farmers with part-time jobs. Luckily, we have three industries here to help make off-the-farm income."

Bankers also emphasize the importance of good clerical work on the part of farmers.

"Some of the older farmers who haven't been doing the bookkeeping may have trouble adjusting," Derks said.

"Farmers today have to treat it (farming) as a business," Reinert said. "They have to keep records, and be able to show a cash flow."

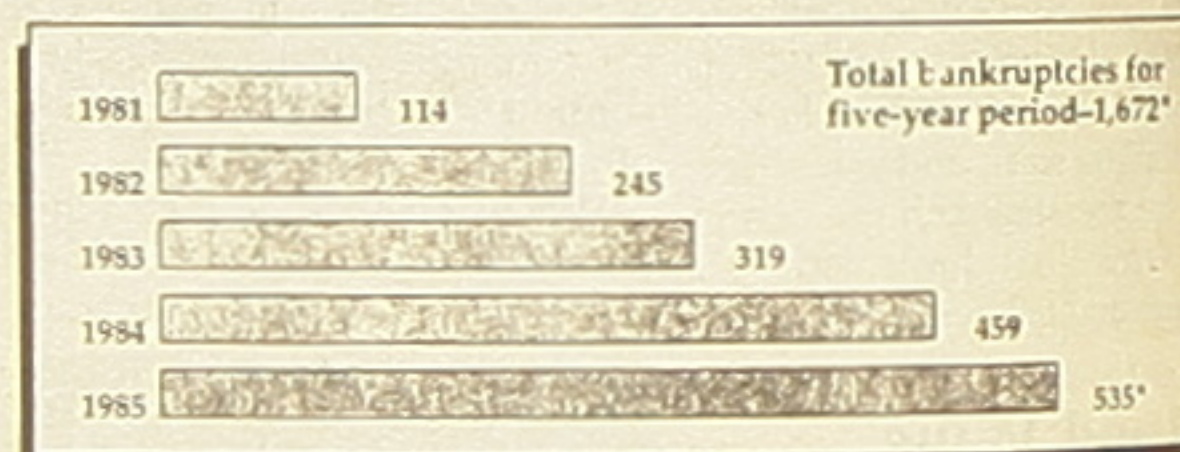
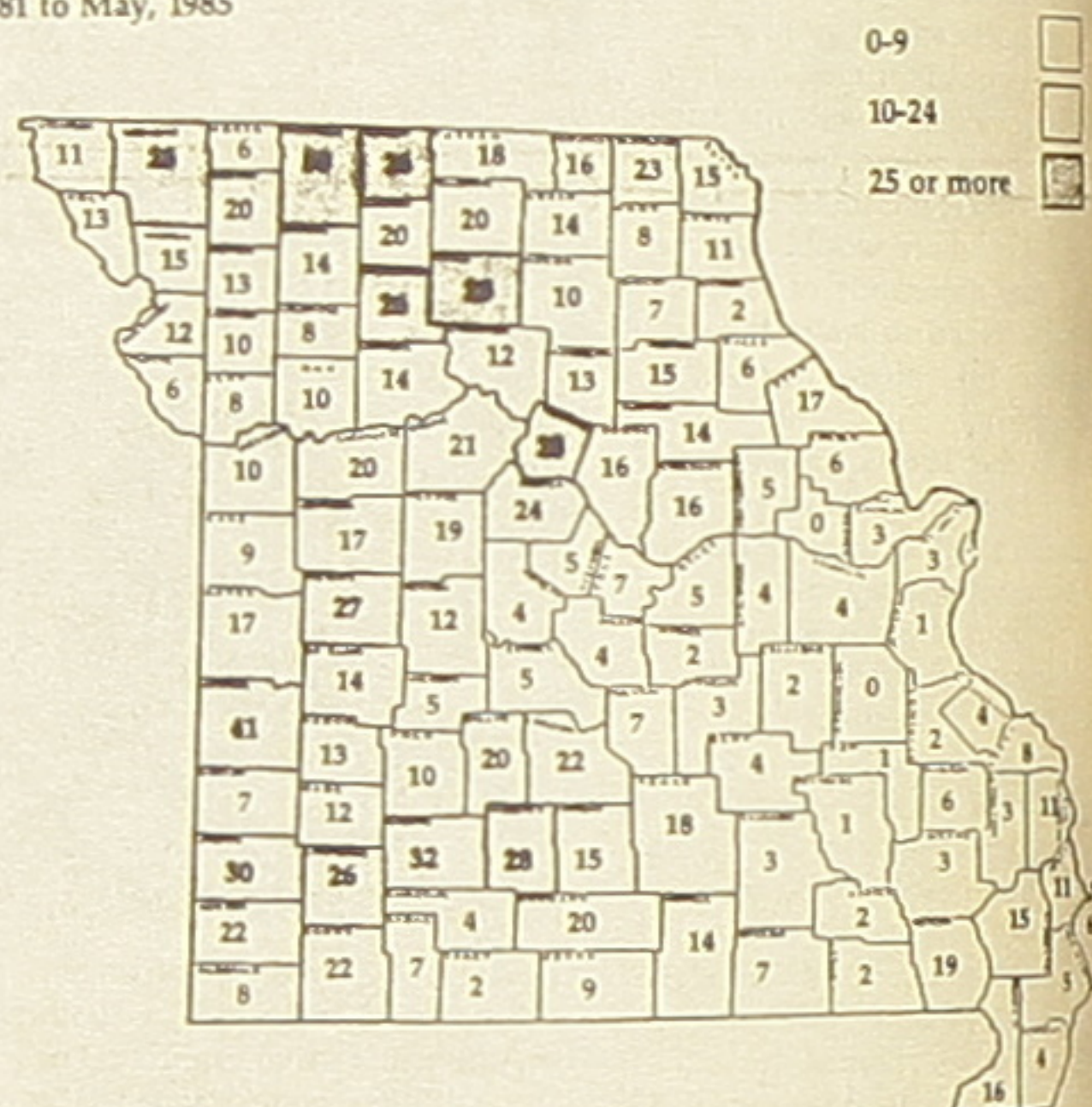
Bankruptcies

Southwest Missouri has shared a large portion of the state's bankruptcies, which have risen steadily over the last five years to 535 in 1985. Of the four largest counties, all having over 30 bankruptcies, three were in the southwest corner: Jasper, Vernon and Greene, accounting for 55 per cent of the total bankruptcies in Missouri.

Bankers like Derks and Reinert

Missouri Farm Bankruptcies

1981 to May, 1985



have felt the crunch of bankruptcies in Vernon County and are aware of the deadly trend.

"As second in the state as far as bankruptcies, we have obviously had our share," Derks said.

According to Derks, there are two normal courses which a farmer may take in the situation of a foreclosure. The farmer, under Chapter 7, may allow the bank to sell all collateral and use the money to pay off the deficit. Another option, under Chapter 11, allows the farmer the possibility of a "reorganization plan" to restructure his debts.

Although a study performed by Steve Matthews, professor of agricultural economics at the University of Columbia, has suggested that the number of "reorganization plan" filings have increased dramatically since 1981, Derks said that his bank has not experienced much success in Vernon County.

"I'll bet there's not 1 per cent of Chapter 11 bankruptcies filed that have been successful," Derks said. "This bank has never had a successful Chapter 11 restructure plan."

Matthews' findings may point to a rise in the use of both methods, but also point out some discouraging average debt-to-asset ratios. Farmers filing Chapter 7s had an average debt-to-asset ratio of 2.19, or twice as much debt as asset.

Chapter 11s stood at 1.10, also technically insolvent.

Reinert says there are no "specific rules for dealing with foreclosures."

"Before foreclosure, the farmer is notified, the foreclosure notice is published in the paper, then the sale. If a sale brings more than is owed, the farmer is entitled to the excess.

"It doesn't happen very often."

Alternative

Both Derks and Reinert maintain that banks dislike the process of foreclosure and bankruptcy, saying they are always prepared to meet with the farmers and "work things out."

"If we can get people in and discuss the problem, we can try to work it out," Reinert said. "That would be better for everyone. We don't want to foreclose—that's the last thing we want to do."

Derks' views on foreclosure are similar.

"I don't know a banker that wouldn't be willing to sit down and make a plan that is feasible," he said. "If that plan is feasible and workable they would accept it."

"There is no doubt that many farmers are sorry they filed bankruptcy instead of coming in and talking to the banks and finance agencies and working something out."

Both Reinert and Derks say that banks forced to liquidate a farmer

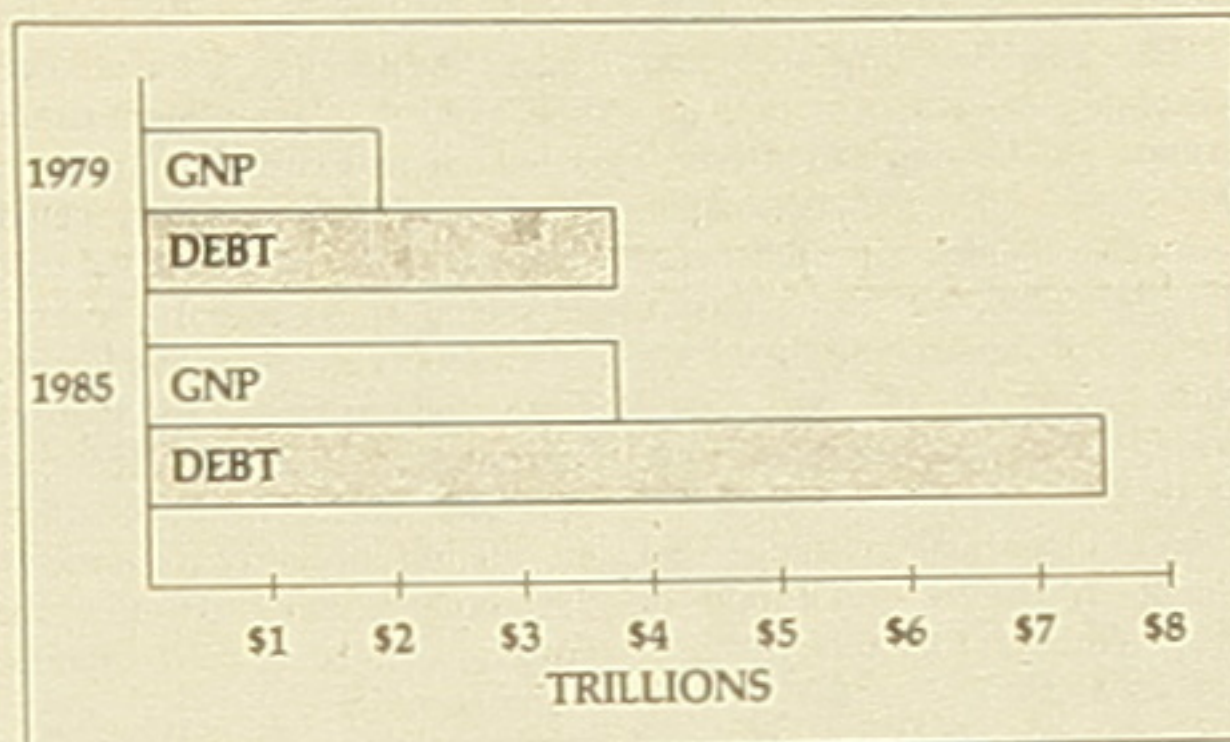


Land at high prices: Wayne Reinert, agriculture loan officer for Boatmen's Bank in Nevada, says many farmers bought land at high prices in the late 1970's, resulting in debt in the 1980's. (Photo by Martin Oetting)

Economic Factors



Comparison of Public and Private Debt with GNP 1979-85



Debt talk: Dean Derks, president of Citizen's Bank of Nevada, discussing farm loans in Missouri. The process of applying for a loan has become very complex in recent years due to many outstanding accounts which often lead to bankruptcy. (Photo by Martin Oetting). Left: Relationship shows ratio of GNP and Debt escalating in recent years. (Source: Missouri Ruralist). Below: statistics on outstanding farm debts in Missouri (Source: University of Missouri-Columbia)

MISSOURI FARM DEBT OUTSTANDING JANUARY 1, 1985 BY LENDING INSTITUTIONS

Million Dollars

Type Debt	Comm'l Bank	Production Credit Assoc.	Federal Land Bank	Life Ins. Company	FmHA	CCC	Individual & Others	Total
Real Estate	670	-----	1,257	450	461	---	1,095	3,932
Non-real Estate	1,465	408	-----	-----	566	138	504	3,081
Total	2,135	408	1,257	450	1,027	138	1,599	7,013

to pay the remainder of debt often losing money.

The bank gets maybe 50 cents on the dollar on a foreclosure," Derks said. Derks' estimate was lower, hovering between 25 cents and a half-dollar.

MO BUCKS

Sounding not unlike a lottery, MO BUCKS '86 is an attempt by the state treasury to boost troubled financing. The program, announced March 18 by Missouri Treasurer Wendell Bailey, allocated over \$187 million to be divided among participating banks for low interest loans. All banks in Missouri were invited to participate in the program, and so far 279 in 118 counties have. Over \$13 million is targeted for agriculture loans, with the remainder, near \$48 million, will provide low interest loans for small business.

But while the numbers are big, the results may not be that impressive, according to Derks, whose bank applied for \$700,000 through the program.

"We haven't received funds yet," Derks said. "The problem is that it will be hard to determine who gets the funds. If we can help a few farmers, then it is worth it. Some people think this will save many farmers—but when you put pencil to paper, it will not save every farmer."

Derks believes the MO BUCKS program may generate more hard feelings among farmers than help. "It's a good PR thing for the state," he said. "But for the individual it will probably cause more hard feelings than if you didn't loan anything. You can't loan it to someone whom it will not save,

who is broke. Then the poorly managed farm and the better managed farm will both be unhappy at you."

Optimism on horizon?

What is in store for farmers in the next few years? Will conditions continue to deteriorate, or have farmers

losing everything, perhaps having to find a way to support their families—off the farm.

Derks, who admits that his bank has not received any new applications to buy new farm equipment and has held only one or two sales of used equipment, says he is optimistic about farmers' futures.

"This is the part where people may think I'm crazy—I'm very conservative, but also an optimist," he said. "I think things are going to im-

prove. Not just bloom, but these recessions and all make better farmers and managers."

Reinert also sees some factors operating in favor of farmers.

"The interest rate was 16 to 17 per cent last year on operating money," he said. "It's 10 to 12 per cent now. There are things that are a plus to farmers now. Gas has dropped. One farmer said he would save over \$4,000 in fuel costs over last year. The dollar

dropping in value means other countries will buy more grain, and cattle prices have also hepled."



in the Midwest hit "rock bottom?" Some economists have stated that farming is not "about to be plowed under," that many farms remain secure and continue to show yearly profits. Still, there can be no denying the recent economic upheaval for Midwest farmers. While many may prosper, many will go under,



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With rising premiums, more risk is attractive:

Farmers look at insurance to cut costs

By Simon P. McCaffery

With land values dropping and accumulated debts rising, some farmers may choose to take more risk upon themselves concerning farm insurance.

Many Midwest farmers will decide to prune the amount of farm insurance they take out on their health, property, crops, and livestock, if they have not done so already.

Some farmers may widen the "spread of risk" and emerge unscathed. Others may suffer an unforeseen emergency or tragedy.

"It's a matter of priority," said Chuck Owings, a career agent for Farm Bureau Insurance Services in Nevada. "We feel it's (adequate coverage) pretty important, but if they cannot afford to feed their family, then it becomes a question of priorities. We have to look at it from their aspect, too."

According to Owings, crushing debts and spiraling profits for some Missouri farmers are affecting agricultural insurance and premiums.

Between 1981 and May 1985 alone, 41 farms in Vernon County went bankrupt, earning the county the second highest rate in Missouri.

Owings speculates that farmers in trouble will often limit the size and extent of their insurance policy in hopes of keeping cost down, and hope that fate does not strike.

The result is higher overall premiums for farmers, which may

have a circular effect.

"The way premiums are going, everything is getting higher, and farmers are looking to cut costs," Owings said. "They will take higher deductibles, which cuts 30 per cent off premiums, or don't insure everything. As a whole they have been having trouble and losing money. That's why insurance is going up."

Average annual premiums are usually in the neighborhood of \$500, although they may reach as high as \$2,000.

Some types and areas of common farmers' insurance blanket life/health/crop health/hail, while others offer protection for livestock mortality, grain programs, and all irrigation and equipment.

"Farmers can blanket the whole operation or specific areas," Owings said.

But farmers do not always decide to "blanket" their operations.

"What they are doing is taking more risk on themselves," he said. "(By) taking higher deductibles, they are saying, 'Why don't I just get insurance on the house and the shed.' He is crossing his fingers."

Insurance for farmers has become a complex, involved process, entailing much attention to details. Farm Bureau's insurance application, like most other applications, involves a "four page, intricate farm owner's insurance policy."

The number of claims, or "loss ratios," can also affect insurance.

"Too many claims affect our loss ratio," Owings said. "If the ratio gets too high, the career agent cannot write any new casualty or property insurance. It's pretty scary getting that call in the middle of the night or seeing smoke over the horizon."

Pressures and fears grinding at a farmer who may be close to losing everything he has worked for does not always mean he will be driven to commit an act of desperation. But moral hazard is something that insurance officers and agencies must consider.

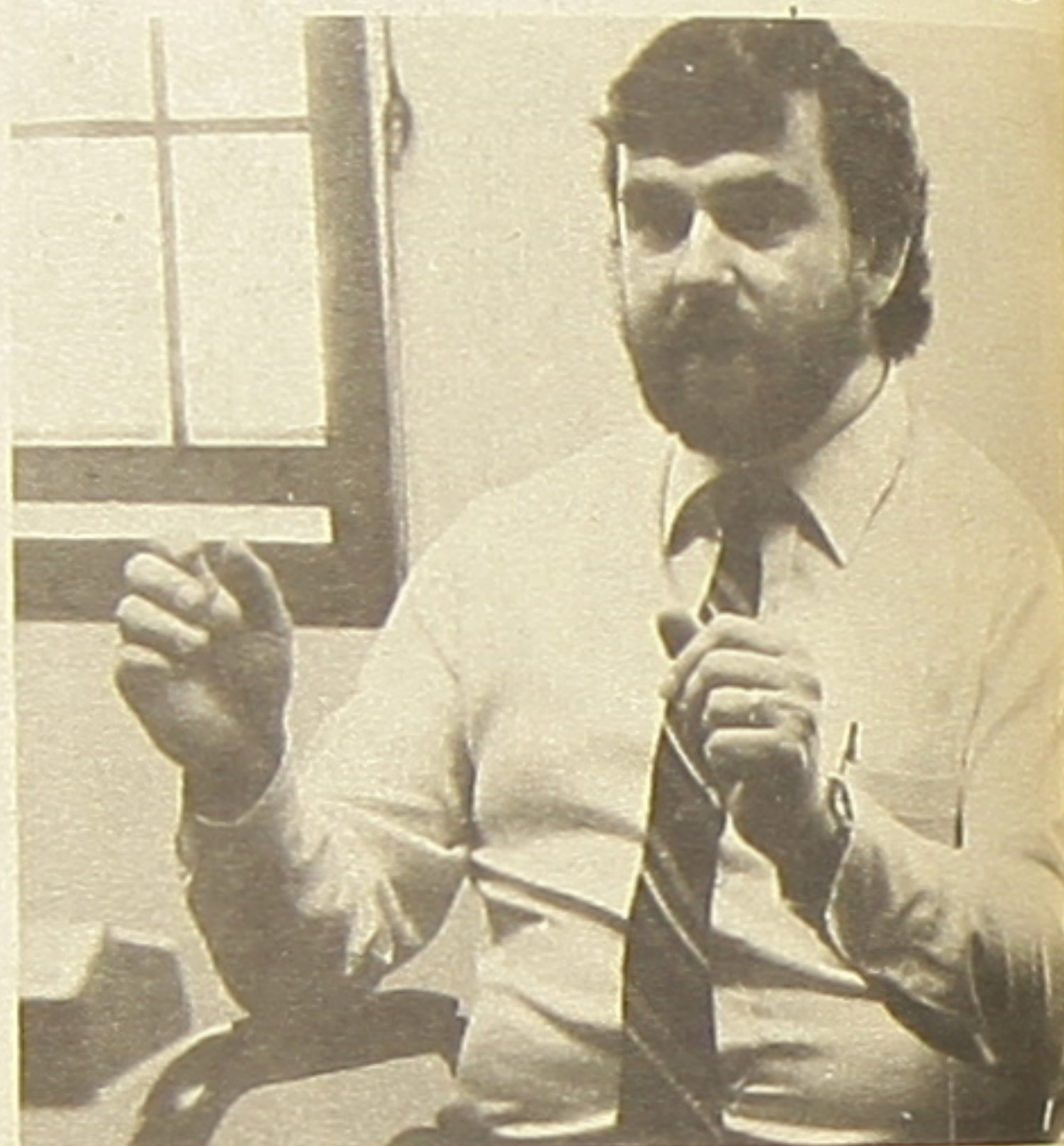
"Let's say, generally speaking, that any time someone is having trouble there is a moral hazard," Owings said. "We try to figure out if the farmer is going to be in trouble in the next few years. It's a judgement call. If we feel there is a risk, we may not insure that farmer. So as far as claims go, unless it is proven beyond a shadow of a doubt that the farmer is involved, we pay."

The future trends in farm insurance seem to be uncertain at this time, and as the farm crisis runs its course in the Midwest, much will depend on its outcome.

Owings notes that in rural cities, farms "make up a large percentage of business."

"I don't see a lot of changes in the near future," he said. "For now, we have some better rates, and premiums have gone down in some crops. Premiums don't go down often."

Part of membership fees go to



Taking more risk: Chuck Owings sees farm problems affecting the insurance business in Missouri, with farmers eliminating portions of their insurance policies to cut costs. The results are rising premiums, and many farmers take larger deductible to offset the increasing costs of insurance. Then, when problems surface, they cannot pay deductible to overcome. (Photo by Martin Oetting)

the support of professional lobbying in state and federal government, and the American Farm Bureau Federation has had some success in aiding farmers burdened with try-

ing to balance rising costs and spiraling debt.

"We are doing all we feel we can do," Owings said. "We don't know what else to do."



No buyers: Celeste Lawver, a real estate agent in Carthage, says realtors are having very few inquiries on farms for sale. Unstable land prices in the 1970's and 1980's have been a major contributor to realtors' problems in the area. (Photo by Martin Oetting)

Realtors feel pinch

By Martin Oetting

Another group suffering as a result of farm problems are realtors.

In the past 10 years, many farms have been up for sale in the area, but there are no buyers. A major reason is said to be the instability of the farm market.

"It's very, very slow," said Celeste Lawver of Wheel Realty Inc. in Carthage. "There aren't a lot of inquiries, which is odd because now is the best time to enter into farming."

Land prices per acre now are in the \$400-\$500 range. Thus, now is the time to purchase farmland "as long as one has a wife with a good job."

Lawver and her husband own a farm north of Webb City. Their business has not only been affected by the fact that farms aren't selling, but also by the fact that they, too, have had to seek outside incomes to keep the farm alive.

"For a long time, my husband was just a farmer, and had no outside income," she said. "Now, he is working outside the farm."

Currently, Wheel Realty has 150 farms listed for sale. Only seven have been sold in the past six

months. Other area realtors report that same situations.

An unstable price level for land has been one major contributor to realtors' problems. In the 1970's, land prices were down and up, with prices per acre ranging from \$100 to \$1,500.

"In 1979, the market softened due to inflation," Lawver said. "Then in '80 and '81, there was total uncertainty (as to land prices and inflation). Then came government programs, and no one knew what prices they would be able to get."

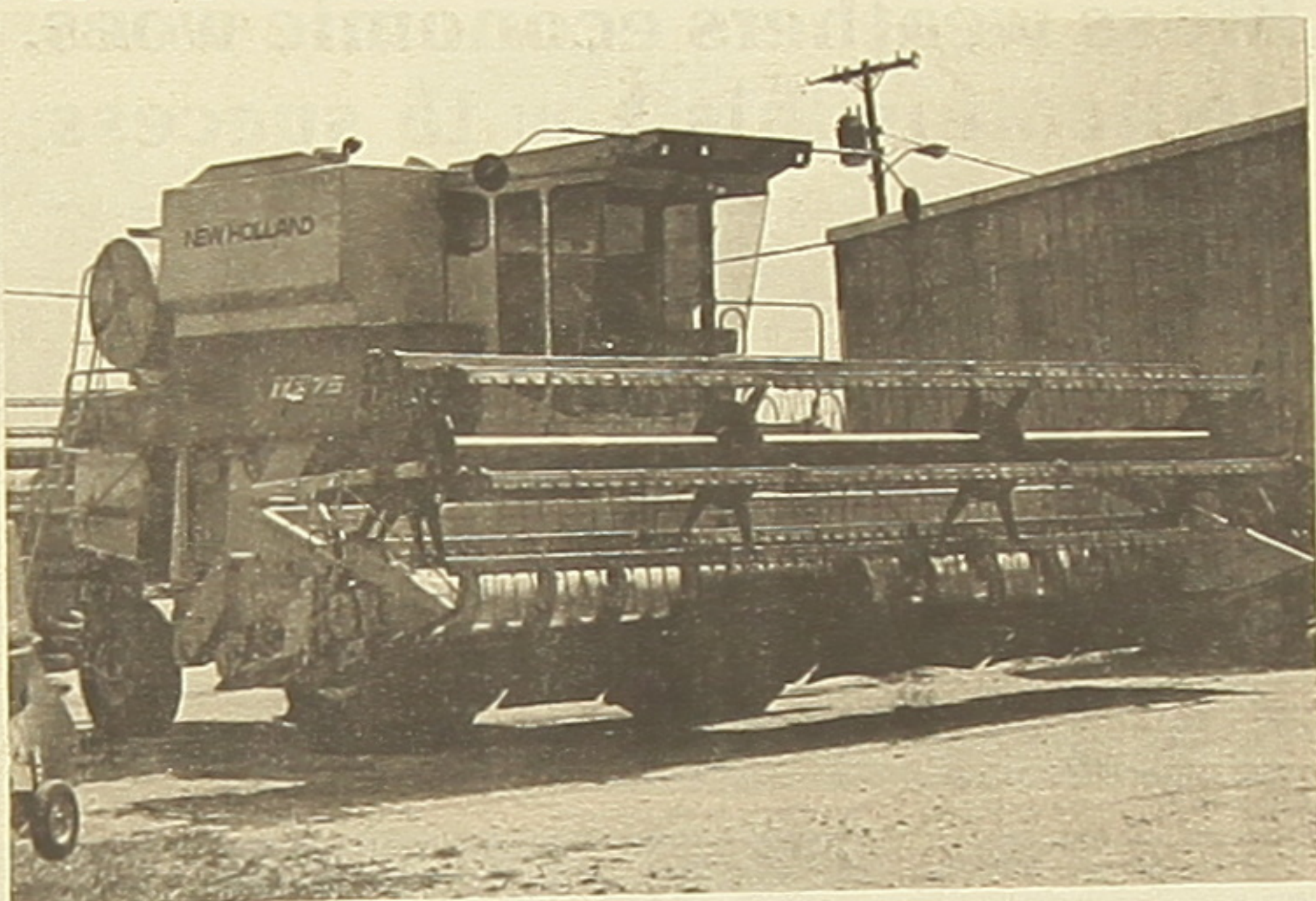
In 1983 Wheel advertised nationally, but still was unable to move any farm property.

But Lawver said things should be getting better soon. Finally, the market is beginning to move, and farms are beginning to sell—slowly.

Lawver said it is hard to get farms listed now, since they either have high debt leverage, or are low debt structured. Though land prices are very low now, people are not buying or selling. But, she says, there is a growing feeling of optimism.

"There is optimism, but it is very delicate," she said. "One false move from the government could top it."

Supporting Industry



No movement: (Clockwise from upper left) Medium-size 1986 Ford tractor, \$30,000. Combines: not a money maker for the dealers. Jim Golden of New Holland in Carthage speculates 'mega-dealerships' in the future. New John Deere tractor with front wheel drive and 15-speed transmission carries \$50,000 price tag. (Photos by Martin Oetting)



Implement dealers affected: Number of sales, price of equipment decreasing

By Martin Oetting

Another aspect which has affected farming in Missouri has been the price of new equipment and repairs. But dealers in the area say the cost of machinery has actually decreased in the past three years. Implement dealers also agree that sales have decreased 10 to 20 per cent in the past five to 10 years. "In the late 1970's, farmers wanted the nicest things they could get on tractors," said Mike Lawrence, owner of Lawrence Implement of Carthage, a John Deere dealership. "Now that they can't afford it, some of the frills such as air-conditioned cabs, nice seats, and radios are being omitted from the newer models. As a result, the

prices have decreased."

Other dealers agree.

"The basic list price has increased, but not a great per cent," said Jim Golden, manager of the New Holland dealership in Carthage. "Actually, the selling price has decreased by a good margin. The implement manufacturers have had an abundance of inventory, and have come to the conclusion they have to reduce it."

A new tractor at Lawrence Implement carries a price tag of \$50,000. Though that may sound high to those not pricing new tractors, dealers say the equipment produced today is worth the money.

"The new equipment is very hi-tech and advanced," said Golden.

"As a result, the farmer is very productive."

Many dealerships across the Midwest have gone out of business recently due to declining sales. Those that are surviving do so either because they are part of a national chain or because of diversification of products.

New Holland has a chain of 70 stores in North America. Those that make it often foot the bill to keep those stores not making money in business.

"We aren't making any money here," Golden said. "If we weren't part of the national chain we wouldn't be here."

Lawrence Implement has been successful for several reasons, according to Lawrence.

"We have diversification in that we sell both agricultural products and consumer products," he said. "We've been working our lawn and garden products real hard, and we're getting results. We also deal with dairy, grain, turkey, and hog farmers. There is great diversification of farmers in Jasper County that you don't see in other regions."

Lawrence Implement also enjoys a reputation of business in Carthage spanning over 100 years.

Golden speculates a change in the type of dealerships in the future.

"The manufacturers must get prices in line. Right now it is a buyers' market," he said. "I feel in the future we will see mega-dealerships. You won't see a dealership in every small town, and as a

result the farmers will have to drive farther for service. The smaller dealerships won't be able to service the hi-tech equipment, and as a result will not be able to survive."

Lawrence feels things are turning around for the farmers in the area, and as a result business will prosper in the coming years.

"Our situation has stabilized," he said. "We're through the decline in prices we've seen in the last three or four years. Oil prices, the value of the dollar, and fertilizer prices are turning around as far as the farmer is concerned. Because of that things will be stronger, and business will be looking better."

Bloss weathers economic woes; 'dedication' his key to success

By Martin Oetting

Despite the problems many farmers in Missouri are facing, some are weathering the storm. Richard Bloss and his family, who own a 200-acre dairy farm east of LaRussell, are dedicated to the farming industry, and cite timing as the key to overcoming economic odds.

"It's tough some days when feed bills are bigger than the income," Bloss said. "You just have to smile and go on to the next year. There are better times, and then times to catch up to the better times. Now, it's absolutely tough to borrow money. But you have to stay in farming to be there in the good times. It takes real dedication."

The Bloss family has been on its farm since 1968. Currently there are 100 dairy cows and 25 hogs. The farm operation is self-sufficient.

"Everything we grow we feed back into the livestock," Bloss said. "We buy grain, too; but most of what we raise is corn, milo, oats, wheat, hay, and alfalfa."

Despite the hard times, Bloss says he enjoys his occupation.

"We still eat T-bone steak at night," he said with a laugh. "It's tough to meet our obligations, but everyone has problems. We're happy where we're at. As far as doing it, it doesn't bother me at all. I like the livestock, the dirt, and where I am."

The Bloss family was struck by a tragedy a few years ago when a barn full of hay burned.

"Everyone must overcome problems," he said. "We lost hay, the building, and machinery—and we weren't insured as good as we could have been. Then, we had dry weather. We didn't get anything crop-wise, but still had to buy grains to reinvest two years in a row. What we sold didn't cover what we spent. But once you get behind, you just have to struggle to catch back up."

Bloss said it takes time to recover.

"It doesn't happen overnight," he said. "Interest rates have been so high it is impossible to overcome the obstacles now, anyway."

The family remodeled its house,

and had to rebuild the barn after the fire. These projects put it back into debt, and now the family is "hoping times will stable out."

The Bloss farm is a family operation. Anita, Richard's wife, is the "subsidiary" of the farm, holding a job as an elementary school teacher. She graduated from Missouri Southern in 1973.

The two sons, Mike, 18, and Jeff, 15, also help out in the dairy operation. Mike, who plans to attend the University of Missouri-Columbia to study veterinary medicine, handles the milking with his father. Jeff handles field work, and feeds hay to the livestock. Jennifer, 4, "just has a big time," and Anita has "another one on the way."

Though the working day on the farm begins at 5:30 a.m. and runs continuous until 8 p.m., when the evening milking is completed, Bloss says he still makes time for the family.

"The family is the main thing," he said. "That is why we do what we do. I always find time to watch my son's ball games."

One problem that Bloss says particularly hurts is that of rising equipment and repair costs. His tactics involve buying used equipment and keeping it in shape.

"We've bought new equipment—but not in the last three or four years," he said. "Our tractors and combine are used. But parts have escalated in the last few years. It costs \$500-\$600 to fix up a corn planter, but when it's done it is like a new one. There are lots of dollars involved, and they don't pay themselves back instantly."

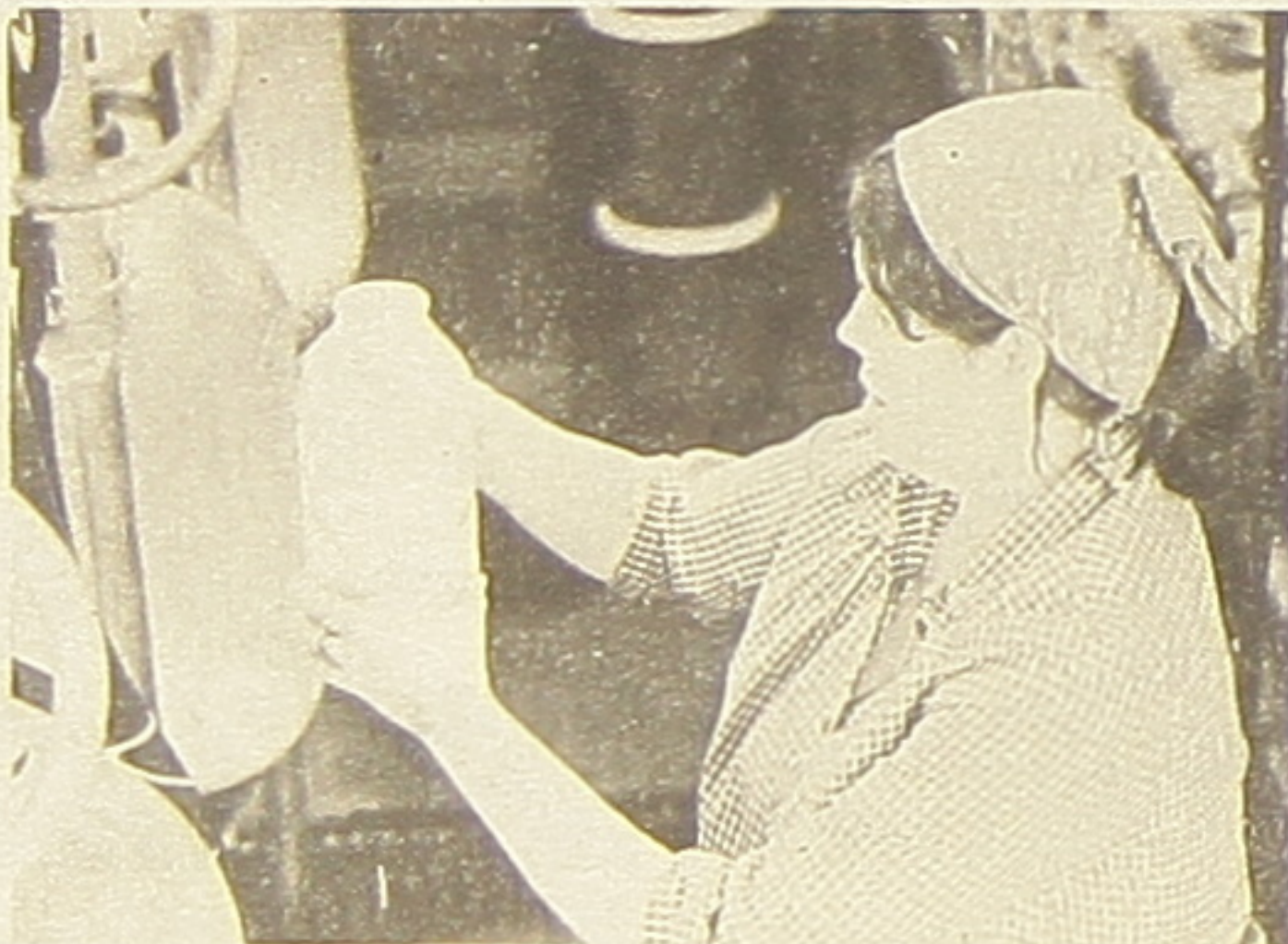
The family milks registered Jersey cows. Despite unstable milk prices, the demand for Jersey milk is high.

"We are receiving \$15 to the pound for our milk," Bloss said. "We're satisfied because the kind of milk we're producing is good for cheese, ice cream, and butter fat. It's in demand right now."

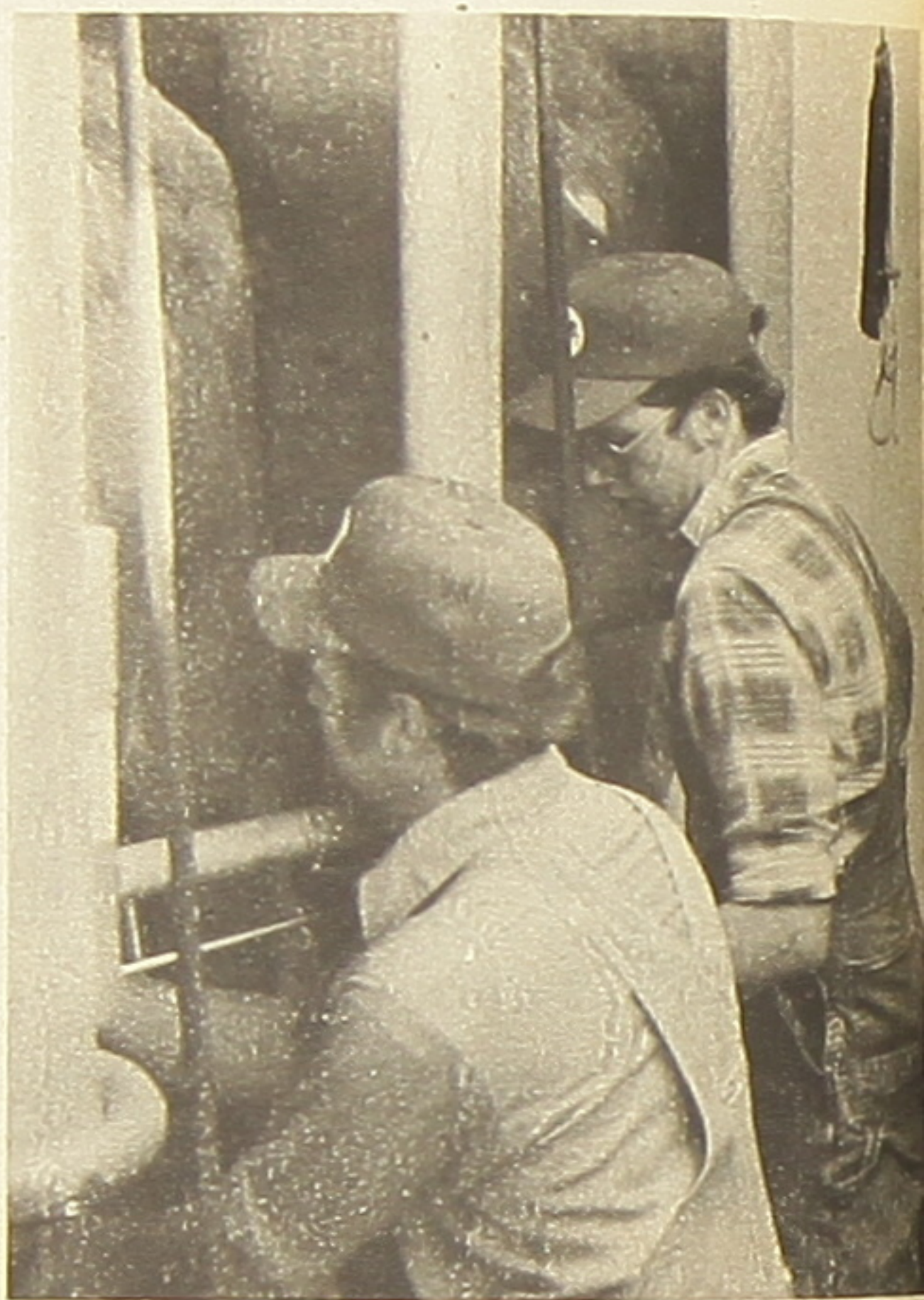
Mid-America Dairyman's Corporation purchases milk from the Bloss farm.

In looking ahead, Bloss sees a gradual expansion of the farm.

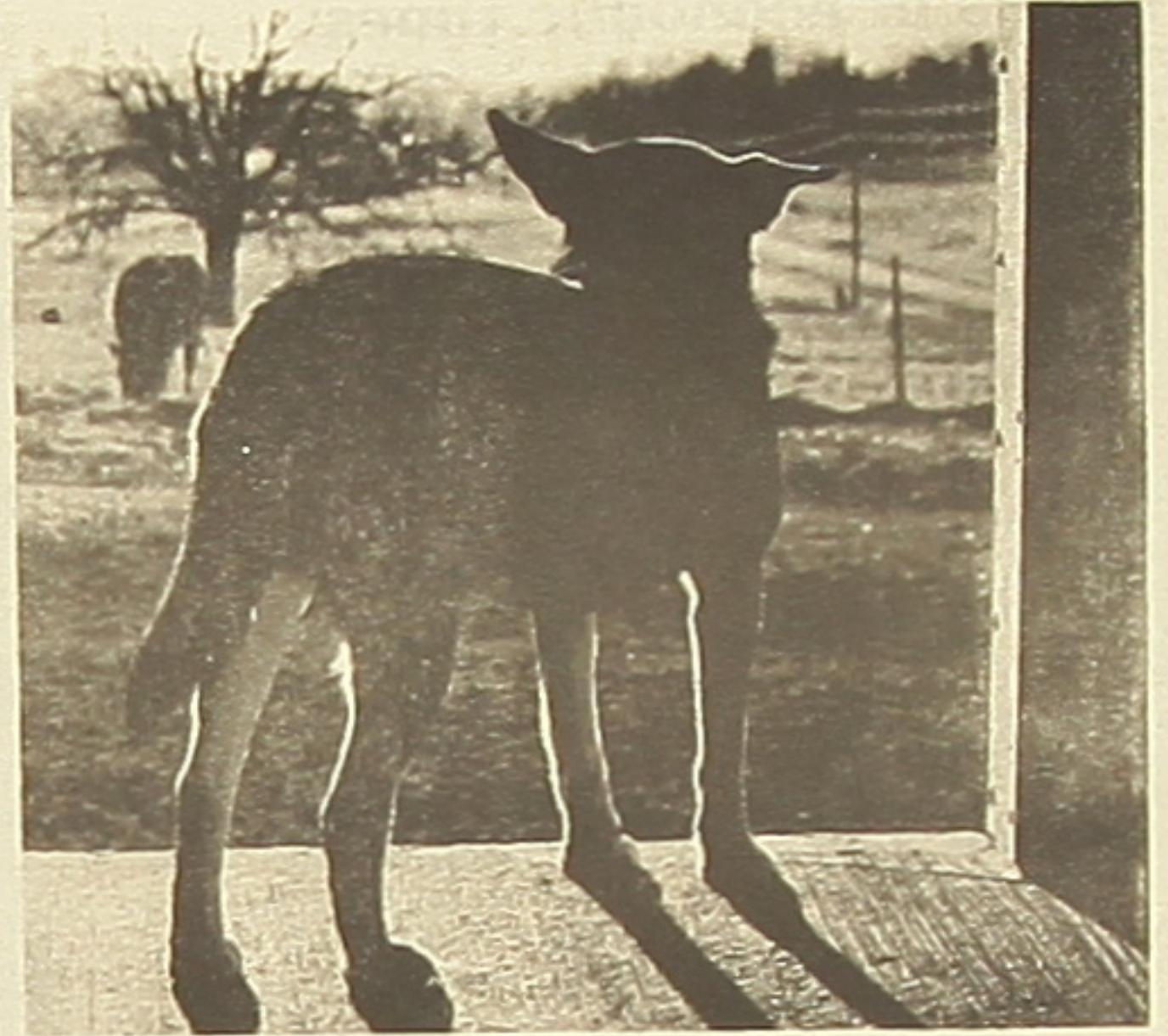
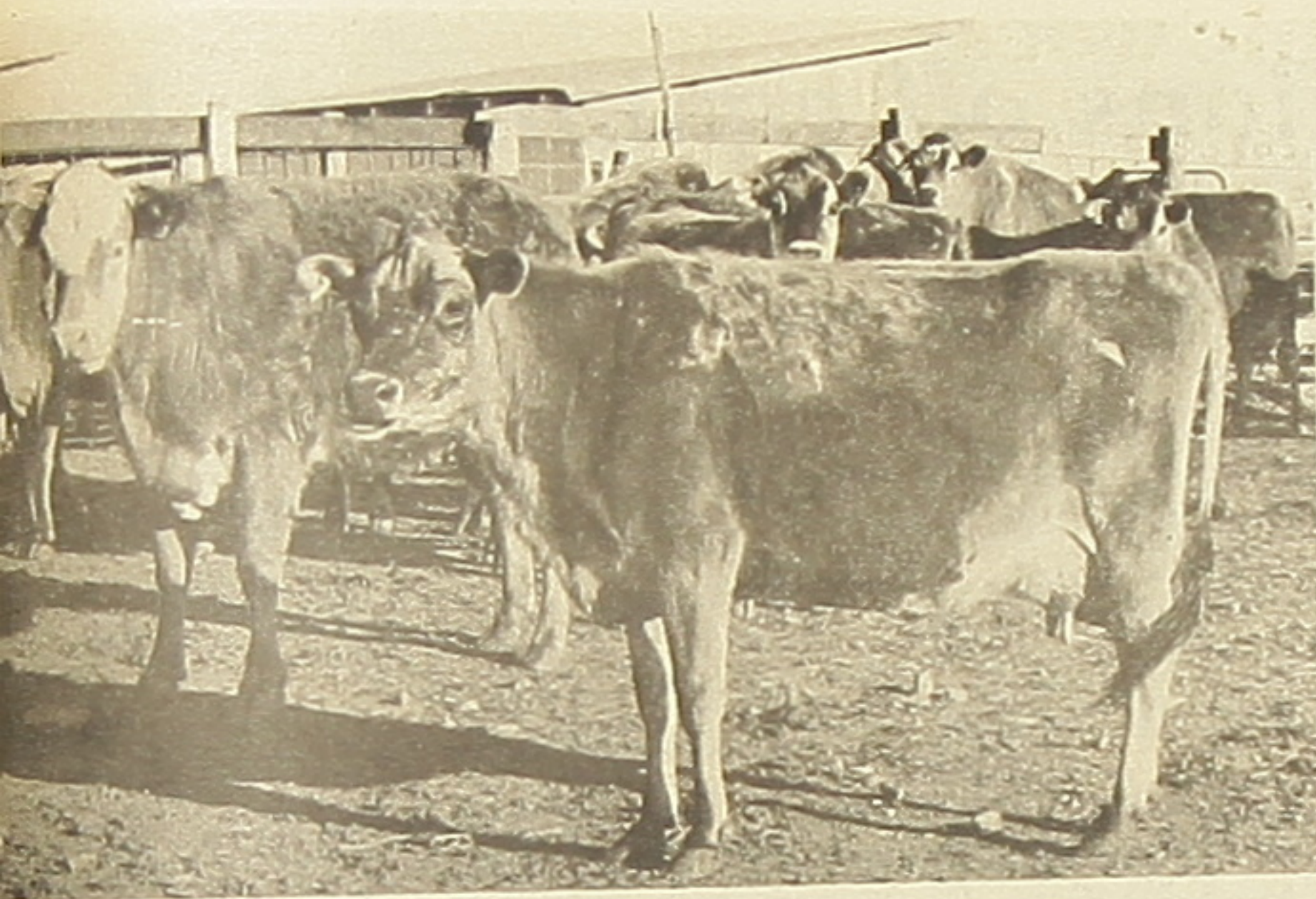
"We plan on gradually escalating, but nothing big," he said. "It depends on if the boys stay around. As far as the markets—there's no place to go. People will eat, and I'm not scared of the markets. If interest rates will be where people can endure, the prices will take care of themselves."



Dedication: (Clockwise from top): Richard Bloss and son, Mike, during daily milking. Mike plans to study veterinary medicine. The Bloss farm. Anita, Richard's wife, inspects the milk. (Photos by Martin Oetting)



Farmers



Making it on the farm: (Clockwise from upper left): Registered Jersey dairy cows of the Bloss farm. Family dog 'Bear' scouts the barn lot. Richard adjusts a milking machine while discussing farm problems. Richard's wife, Anita, a school teacher, teases daughter Jennifer. Jeff Bloss, 15, heads for the barn to load hay for feeding. (Photos by Martin Oetting)

Victims of economic times:

Barnes family auctions off equipment, herd

By Martin Oetting

Jan Barnes pulls her brunette hair up under a scarf, dons a vinyl apron, and grabs a hose to wash down the milking bays in her family's dairy barn.

Outside, the sounds of several Holstein cows waiting for the daily milking echo through the valley of the Barnes farm in Lawrence County near Sarcosie. It is a familiar sound to Jan and her husband, Richard.

But it is a sound they will hear no more—at least for a while. The calls from the restless Holsteins are drowned out by the sharp, staccato wrap of auctioneer Les Tennis as another cow is sold to one of a hundred or so farmers on hand in a nearby sale tent. For the Barnes, it is a sad end to a long battle against economic odds. Strapped by hard economic times—like many of their neighbors—they have had to resort to selling the machinery and livestock to pay back debts to the bank.

And the auctions occur nearly every weekend. One by one, farmers in the state are coming to the realization that they cannot survive in the war against interest rates, skyrocketing equipment and repair costs, and low prices for milk and grains.

"We're in debt, and we're going further in debt," Jan said, keeping a close watch on a milk collection container. "Machinery is so high, the price of grain is unstable, and we just couldn't make ends meet for the price of milk."

Richard and Jan milk around 50 cows each day, and they've been doing it for a long time.

"Richard has been milking all his life," Jan said. "We had a sale back in '82 and gradually got back into it, but things just got worse."

For 12 years, Richard and Jan have worked to build up a respectable dairy herd. In a matter of hours, all they had worked for was gone.

For Richard, the decision to sell out was made about a month ago.

"The government was getting its fingers into it, and we were afraid things just wouldn't work out," Jan said. "The future looks dim with prices dropping."

Last year the Barnes almost broke even, but a broken chain on a piece of equipment and a baby put them "just a little in the hole."

"It's just depressing," Jan said. "You work your tail off, and then you don't get anything."

The result: a public auction. An event that is horrifying to those selling out.

"Having a sale is the hardest thing on a person," Jan said. "Getting everything ready and answering all those phone calls, it's really tough."

Jan admitted the sale was also a trying time emotionally.

"Later, you'll see a few tears," she said, hooking up the automatic milker to another cow. "It's the cows that bother me. We worked so hard on breeding them good, and now they all have to go. I'll really miss the babies."

For many, witnessing the sale of their property is emotionally devastating.

"We have that plow out there we paid around \$1,000 for about 10 years ago," she said. "I was watching the auction, and saw that plow sell for just over \$300. It was then that I left."

And, the realities of the sale are hard for the families to realize.

"I don't think it has all soaked in yet," an exhausted Richard said several hours after the sale.

But the day was successful—as auctions go. Richard and Jan were hoping to bring in \$80,000 from the sale, and early figures showed a total of \$93,000. Even that isn't enough to repay the bank.

"We will still owe some money," Richard said.

The Barnes hope to rent out the 132 acres of land they still possess. But as for new income, they will

"It's just depressing. . . you work your tail off, and then you don't get anything."

—Jan Barnes

have to hang up the boots and tractor keys in exchange for jobs in town. As for possible employment, both said they aren't sure where they will work.

"We always have worked together," Jan said. "Some people may not like it that way, but we do. It's going to be rough when we have jobs and can't spend as much time with each other and the family."

It has been said that farming is "in the blood" of many farmers. For Richard and Jan, the possibility of farming again in the future is possible.

"I think we probably will someday," Jan said. "Richard's main goal has always been to have about 20 really good cows."

But on this Saturday in late March, Jan hoses down the cattle stalls one last time. The cows are gone. The machinery is gone. Tonight, the Barnes plan an evening dinner out in Monett—an event that seldom occurs in the life of a dairy farm family. The sound of the auctioneer will no doubt haunt the memories of the life they worked so hard for—a life they are forced to leave behind.



Reality of a crisis: The Barnes family farm in Lawrence County (top). The auction tent is an unwelcome visitor for farmers. Richard Barnes (above) lowers his head as one of his two tractors is auctioned off to an area farmer. The tractor brought around \$5,000, which is "a good price" for a tractor in today's typical auction. (Photos by Martin Oetting)

Farmers



Farewell to the farm: (Clockwise from upper left), Richard in the tractor seat one last time. Richard and son watch dairy herd being auctioned off. Auctioneers: a busy time for the business. Auctioneer describes tractor for sale as Richard sadly looks on. Prize dairy herd for sale: no more milk for the market. Mother and daughter leave the auction in disgust. Laughter helps mother and child cope. (Photos by Martin Oetting)

Dr. Conrad Gubera:

Farming is his hobby, and a family tradition

By JoAnn Hollis

Being both a sociologist and a farmer, Dr. Conrad Gubera has a different outlook on today's farm crisis.

Gubera, associate professor of sociology at Missouri Southern, operates a 400-acre farm in conjunction with his neighbor. Together, they raise grain and cattle on the land.

"I just live there, and it's by virtue of heritage," said Gubera.

The only son of elderly parents, Gubera inherited the farm on which he lives.

"I guess more than anything else, farming is getting to be a hobby for me," he said.

Not really wanting to be a farmer, he went to college, but decided to remain in the area to carry on his family's tradition.

"I'm one of those sundown farmers," Gubera said.

Explaining that a "sundown" farmer was one who farms after work, on weekends, and on breaks, he said that farming was complementary to his career in education since the busy season in farming is the summer.

"If I were doing it full-time I would be pressed in this day and age," he said.

According to Gubera, he would have to expand greatly to become competitive today. This would include such expansion in ownership of land and machinery.

"At today's prices and costs I just don't think I could make it," he said. "Twenty years ago I could have, 40 years ago I would have been big time."

Gubera feels the high cost of production is one reason that he would

have been able to make it 20 years ago, but not today.

"All of the machinery has doubled or tripled in the last 20 years," he said. "The cost of land is higher than 20 years ago, but not nearly as high as 10 years ago."

While he does see this as a major problem for farmers today, Gubera feels there are several other factors effecting the crisis. For example, a drop in the price of commodities has also had an effect. While this drop is due partly to severe droughts earlier in the 1980's, it is also due to the advances of other nations.

"We have exported so much of our technology to the underprivileged countries that they are now producing food cheaper than what we can," said Gubera.

According to Gubera, the U.S. government does much to protect its natural resources, and should therefore do more to protect agriculture.

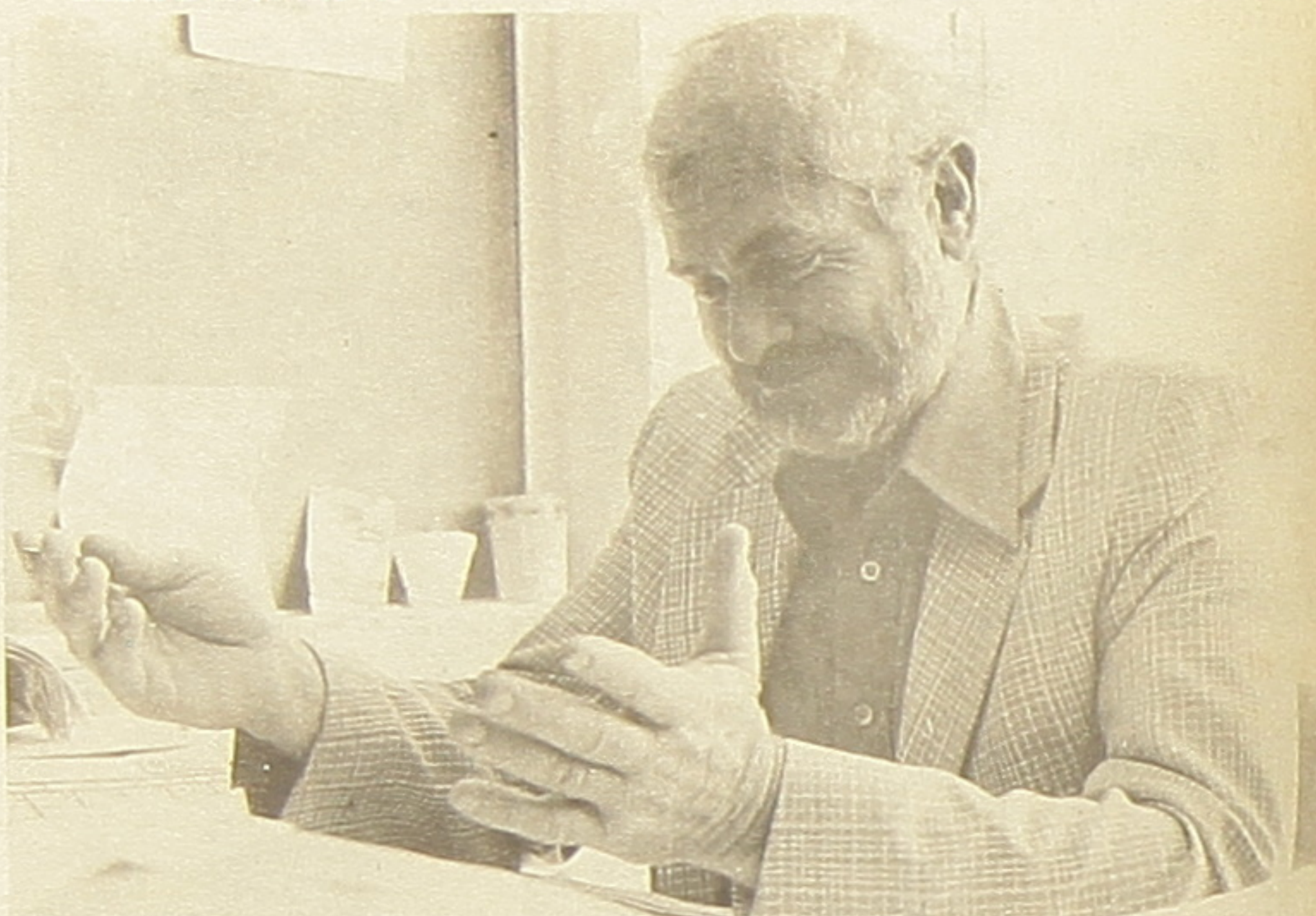
"It's a resource besides just being a business," he said.

"Our neighbor, Mexico, bought approximately 800,000 tons of corn from Communist China last year," said Gubera. "As far as world trade is concerned that is small, but the point is still the same."

He also brought up the fact that one of the major food processors in the U.S. bought three million tons of wheat from Argentina last year because it could buy it cheaper from that country than it could from the U.S.

"These companies want to make a profit—that's the nature of business," he said.

Gubera compared this type of buying to that of people in the U.S. buying cars from Japan because



Sundown farmer: Dr. Conrad Gubera considers farming his second occupation, behind teaching at Missouri Southern. (Photo by JoAnn Hollis)

they are cheaper.

"What's the difference between that and food?" he asked.

He also said the fact that Americans are changing their eating habits has affected the situation.

"The poultry industry is doing fairly well, at the expense of the beef and swine industry," said Gubera.

According to Gubera, those who are likely to survive this crisis are the older farmers who have already paid for their land and machinery and have no outstanding debts.

"The average age of the farmer is 57," said Gubera, who feels this figure will go even higher in the years to come. He attributes this to the fact that it is these farmers' sons who are facing the bulk of the problems as they try to expand.

As an example, Gubera pointed out the problems of one of his

friends who is a full-time dairy farmer. This friend makes \$200,000 a year, and has been forced to declare bankruptcy because he can't keep up with the cost of such things as machinery and the replacement of cattle.

According to Gubera, it is the "corporate" farmers who will survive the crisis and the family farmers who will drop by the wayside. He feels this will in turn cause small farm communities to diminish.

"The corporate farmers will bypass the rural suppliers and go straight to the major wholesalers and distributors," said Gubera.

While spring is typically a time of happiness on the farm, this is not the case this year.

"There's a sense of depression in the rural areas now that you can't imagine," he said. "I'm surprised there aren't more suicides among

farmers today. This is one of the most sad consequences that is happening."

Looking at the fact that the U.S. is now seeing one of the most significant changes in agriculture that it has ever seen, Gubera feels everyone is living in historical times.

Because many farmers are facing financial problems, some are turning to alternative forms of income. For example, some are being paid by the government not to plant because of the over production problem. Others, in metropolitan areas, are renting their land for hunting purposes, golf courses, and tours for school children.

"It's crazy," said Gubera. "It's as crazy as anything else in this day and age."

Netherton furthers farming career through MSSC

By JoAnn Hollis

Unlike some farmers who are returning to school to have a career they can fall back on, Jim Netherton is going to school to further his farming career.

"I've lived on a farm all my life," said Netherton, a senior economics and finance major at Missouri Southern. "I've helped since I was young."

Having been around farming all his life and having some knowledge of it, Netherton made the decision to be a full-time farmer. Now farming only part-time while he completes his education, he plans on entering into a partnership with his father after he graduates.

Netherton previously attended two other colleges before coming to Southern for his business degree.

"I had mainly agriculture classes," he said, referring to the other col-

leges. "Here I'm getting an education in the business part of it."

He believes this will be helpful to him in dealing with such things as banks and the buying and selling of cattle. However, Netherton said there is much which he will have to learn from experience once he is farming.

"I've still got a lot to learn," he said. "It will be like getting an education again."

Raising both crops and cattle, he considers his family's operation of medium size.

"We're putting more emphasis on the cattle right now," said Netherton. "You've got a better shot at getting a guaranteed profit out of a calf crop."

Like many farmers today, part of the Nethertons' acreage is not being planted this year, but is remaining idle so that it will collect payment from the government.

According to Netherton, one of the main problems of farms today is that there is a surplus of commodities. To cut back on this over production the government is paying farmers, by the acre, not to farm the land or to farm it to their specifications.

"You have to raise what they tell you," he said. "It's real strict."

Netherton said the government monitors the farms carefully through such means as taking aerial photos to make sure the farmers are following the regulations.

"I think they're headed in the right direction," he said of the government program.

While he believes the program is helping, Netherton pointed out one problem with it.

"In a way they're penalizing the large farms," he said.

Netherton said this is due to the fact that the government will not

pay more than \$50,000 to a farm, and that the really large farms could collect more than that if they were allowed to collect on more of their acreage.

Due to the fact that, at today's prices, the expenses of farming take up a large portion of the profits, he said it is hard for the farmer to stay in business.

"The programs make it worthwhile," he said.

Because he already has some land and cattle, and is going to join an already established farm, Netherton is not experiencing the economic crunch that many new and expanding farmers are feeling today.

"I've got a loan on the cattle and I'm making payments on the land off the calf crop and the crops I raise," he said. "I got pretty good interest rates. They were lower than what you would get at a bank."

Considering his circumstances, Netherton feels he is not only a rare case, but also at an advantage because he will not have the high expenses that the average farmer would have starting out.

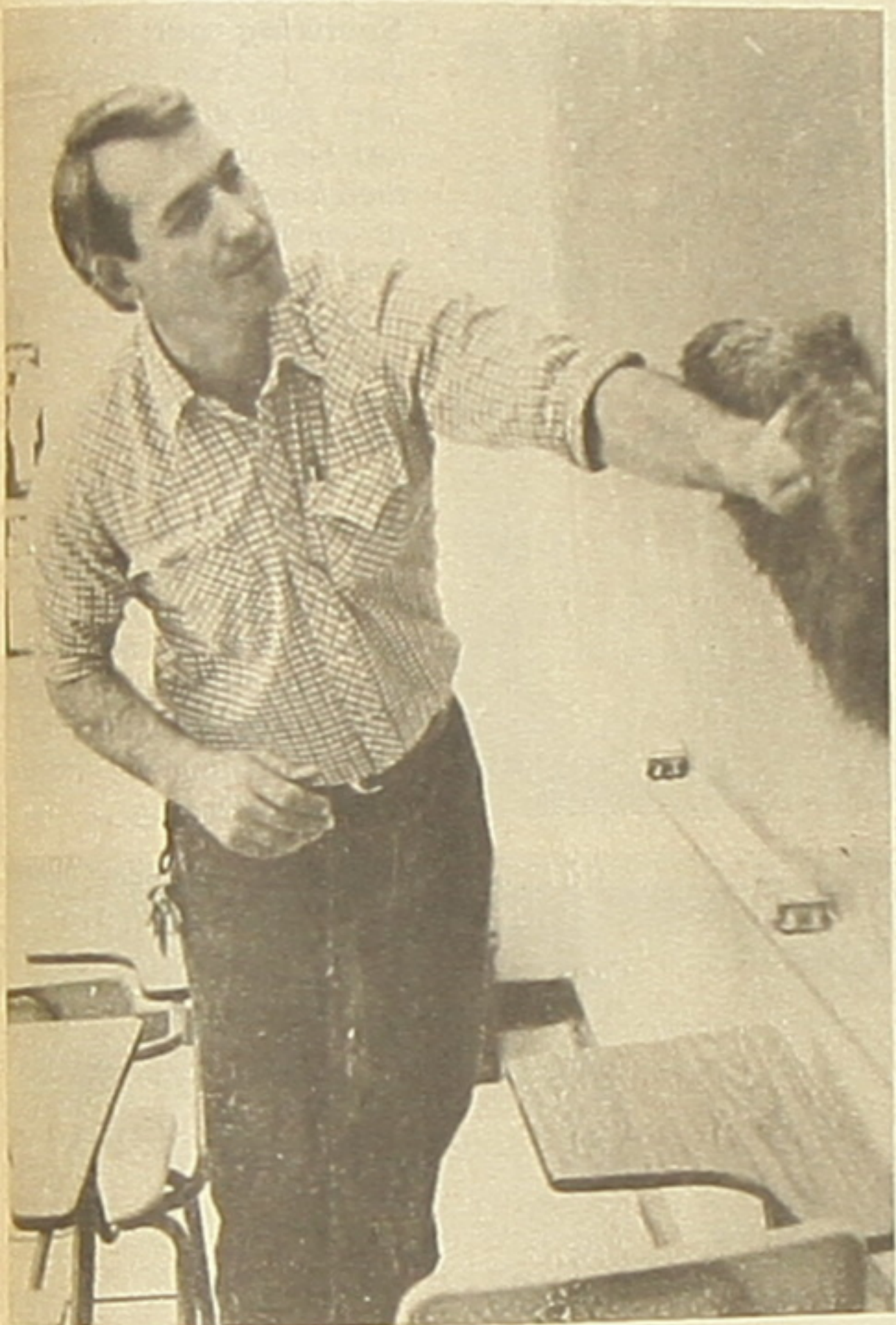
"A new person starting out would have to have some help like that now," he said.



MSSC Farmers

Custodian Bob Kemp, former farmer:

'Like running 100 miles an hour into a brick wall'



By Nancy Putnam

There is more to life than just work and worry, according to Bob Kemp, a former farmer who now works as a custodian at Missouri Southern.

Kemp was the fourth generation to work on his family farm, located near Lockwood in Dade County.

His great grandfather came from Nebraska and bought the land in 1907. Two years ago Kemp was forced to claim bankruptcy and to sell his 600 acres of farmland.

"To this day farming is about all I know how to do," said Kemp. "But the small farm is just about extinct; it's just a page of history."

He admits that losing his farm is still on his mind, but it has moved more from the front to the back of his thoughts.

"I'm beginning to reach the point where I can talk about it without being blue for two or three days afterwards," said Kemp.

Like many other farmers, Kemp's financial problems came from poor timing.

During the mid 1970's Kemp found farming to be a good business with low interest rates and a surplus of produce.

In 1979, considering this positive outlook and that he was only in his early 30's, Kemp and his wife decided to go into debt in order to expand their farm. Kemp said they bought some more land at what was a very inflated price, never suspecting what the new decade would bring.

"It was like running 100 miles an hour into a brick wall," said Kemp.

"The 70's were a lot like the roaring 20's," he said. "Then the old dirty 30's came along."

In 1980 interest rates nearly doubled from the 9 per cent Kemp originally borrowed on. Matters worsened for his family as this area suffered from one of the worst droughts in 30 years.

"We were just debt riddled," said Kemp. "In a year and a half we couldn't even pay the interest rates on what we owed. But the lenders said 'That's OK, you're a good boy,' so they loaned us more to pay on our interest. After that it snowballed, it just literally snowballed."

During the last few years Kemp owned his farm, he also drove a truck to bring in additional income.

"There were days I didn't even go to bed," he said.

In the last three years his debt compounded to the point he could no longer pay for fuel or feed.

In early 1984 the bank told him it would have to do something; so the Kemp family was forced to sell its home and farm.

Kemp did manage to sell them to a cousin in order that the land would still be in the family.

"I'm glad that I went out in 1984 instead of now," he said. "The problems have gotten worse. They are a lot more serious now."

The Kemp family now rents a house on the farm of another man in Lockwood.

Part-time jobs have kept Kemp working to support his wife and

three children. He has worked in real estate, served as a deputy sheriff for Dade County, worked as a security guard, helped on other farms, as well as done carpentry work at home.

At the first of this year he began working as a custodian at Southern.

The decline of the small farm as well as small banks and small businesses, and the fact that large corporations are buying up farmland troubles Kemp.

"Those small, individual hands are what has made this country," he said. "Ultimately, when all your small producers are gone and production is in the hands of big business, the consumer will pay for it."

"There is still a dream here—the American dream—but there won't be many opportunities if the bulk of the wealth is held by a few people."

Although Kemp has lost his farm, he manages to point out some positive aspects of his loss.

"We as a family are stronger now than ever before," he said. "We are a family and a team and we are pulling together. We're statistics, but we'll make it."

Kemp feels he has come a long way from the days he worried constantly about his debts and no longer cared whether he lived or died.

"Some of the best things in life don't cost much. There is more to life than just work and worry."

Farmer to custodian: Bob Kemp, who claims farming is the only thing he really knows how to do, was forced to resort to an outside job to support family. (Photo by JoAnn Hollis)

Soaring interest rates major factor in farm loss

By Mark Ernstmann

For Ron Grieb, not only a farm, but a tradition has died.

Grieb, a student at Missouri Southern and an ex-farmer, had to give up 550 acres and 12 years of farming due to the fall taken by the industry.

"I farmed for about 12 years, with no other outside income," Grieb said. "I operated on 550 acres that I was renting. I was fairly well diversified with what I raised. I had everything from hogs, cattle, beans, oats, to wheat."

Grieb's family has been farming in this area since right after the Civil War. His great-grandfather, grandfather, and father have all been full-time farmers, and Grieb currently lives on the former site of his great-grandfather's farm.

"I may be the end of the line," he said. "It's to the point where it's not feasible. I really wasn't forced out, but it is on such a stress scale that you feel restricted, and not effective."

Grieb believes the social implications of the situation are dramatic, for both the farmer and the community. In many places, such as areas in Kansas and Iowa, Grieb

points out that there are no alternatives to farming.

"There is nothing else out there for them to resort to. There is nothing, not even enough for them to buy groceries. It is a very tough time, with tough decisions and harsh realities."

Grieb feels the real collapse came when Paul Volcker, chairman of the Federal Reserve, let the interest rate soar to above 20 per cent. This required huge amounts of money from the farmers who had borrowed money from banks.

"Those who borrowed were in deep trouble," Grieb said. "We couldn't do anything."

"Banks were encouraged to loan, and farmers were encouraged to borrow. They really pushed technology: new seeds, chemicals, fertilizers, and tools," said Grieb.

After the United States started selling grain to the Soviet Union, exports boomed and the government started advocating "fence row to fence row" planting. Then the embargo by President Jimmy Carter occurred.

"The Carter embargo was a bad move," said Grieb. "He lost the markets for the farmers. Just as we had endured the Nixon and Ford

administrations, Carter dried up the markets, and the buyers found other markets."

"The government said they would take care of the market and they didn't. Reagan has actually done very little," Grieb said. "He's trying to help out the banks and lenders, not the farmers. The political management in Washington has been very poor; they have done very little."

Grieb believes the farmer is not without fault.

"Some of the shut-downs should never have happened in the first place. The farmer swallowed the bait."

"But now, we are starting to lose farmers with extraordinary ability, the ones that should be farmers," Grieb said. "Even if it turns around tomorrow, there is no economic base. If there is no capital, we've already missed out on the first opportunity."

"Some will hardly borrow money now. But the farmer is a strange breed—if they stopped at the first sign of trouble, nothing would ever grow."

According to Grieb, farming deals with a matter of timing, and a matter of luck should not enter in-

to it.

"Farming is not a one year set up," he said. "It takes a long time, 10 to 20 years. It is a long-term commitment, for both the positive results and for the consequences."

"In years past, you could go through two or three bad years and make up for it the next year, but in these times, you better harvest or you will be in trouble."

"Now, if you get into the wrong thing at the wrong time, it's like walking right into a machine gun."

Grieb feels that none of this could have been predicted, not even in the worse scenario.

"There are still guys out there operating with debts they will never get over. It is truly a sociological problem. You go from a high social position to nothing but humiliation."

As for Grieb's personal losses, he is still paying off his debts, and has them down where they are "manageable."

He is currently employed by Eagle-Picher as a technician, and his wife also works.

"I got them down, but it took two incomes."

"I was fairly fortunate. I will be able to overcome my losses, and they were significant," said Grieb.

"Even with my losses, if the interest rate had fallen to a single digit, I could have survived."

"Some of the farmers are really dedicated; they want to farm. I still have a shadow of a doubt all the way through it. I should still be out there."

Grieb doubts whether his son will ever have the opportunity to follow in his family's footsteps.

"I don't really know what our future plans are," Grieb said. "You get to a point where you don't even want to look at it, let alone do it. You just get sick."

"You know everything is going to be a loss. There is very thin motivation."

Even with the disastrous times farmers are encountering, Grieb believes that eventually things will return to normal. He feels that prices will have to increase, and for the current farm situation to clear, at least half of the existing debts will have to be written off.

"It used to be that if you worked hard and tried, you could do well," said Grieb. "You might not be rich, but you could eat and have clothes on your back. That's not true now. It's like water through a fish net."

State legislature responds with bills

By Martin Oetting

Ripple effects of the farm problems in Missouri are causing shock waves statewide.

Realizing the critical situation many farmers are in, Missouri's legislature is currently considering a number of bills aimed at aiding the farmers in all ways possible.

While federal government is groping with the farm bills, state legislatures throughout the farm belt are doing what they can to make farming a more lucrative profession. Much of the Missouri legislation involves foreclosure protection and changes in current legislation which affects ownership of land. A special bill releasing funds to banks for low-interest farm and small business loans is a recent act authorized (See related story).

Foreclosures

A number of Missouri farmers were on hand in February at the state capitol to rally support toward several bills aimed at farm foreclosure protection.

House Bill 1503 allows farmers to plead their case before the courts when facing a foreclosure threat. Currently in Missouri, foreclosures occur outside the courts and can take place very rapidly, often in 20 to 30 days. This bill, sponsored by Rep. Harry Hill (D-Novinger), may have problems in the legislature.

State Sen. Richard Webster (R-Carthage) said the bill involves "a constitutional question" concerning the specific categories of debtors. In Webster's opinion, if farmers are able to plead their case before courts in foreclosure situations, other debtors such as businessmen should also have the right.

Speakers of the Farm Alliance of Rural Missouri (FARM) voiced support of this bill at the rally in February.

Senate Bill 734, sponsored by Sen. Norman Merrell (D-Monticello), allows farmers to seek help from the courts when facing foreclosure. The court can agree to delay a foreclosure for a limited time period during which the farmer can attempt to reorganize finances. The bill is currently in the Senate agriculture committee.

State agriculture assistance division

Pieces of legislation generating considerable publicity are HB 1278 and 1279, which propose to establish a farm foreclosure negotiation board to negotiate on behalf of farmers facing foreclosure threats. The legislation also offers farmers low interest loans to help in reorganizing finances.

This legislation, according to Webster, was "perfected" in March and is now in the budget committee to determine how much it will cost the state.

As written in the bill, "The general assembly recognizes the im-

portance of farming to the state's general economy and the great contribution that farmers make to the state and the community. In addition, the general assembly of the state of Missouri declares that state assistance to farming and agriculture will benefit the state economically and socially and is a public purpose of great importance."

The bill would create within the state department of agriculture an "agriculture assistance division" to administer the programs of assistance to farming. Actions of the group would include:

- Formulation of a program for submission to the general assembly from time to time for the promotion, development, assistance, or maintenance of agriculture and farming activities in the state;

- Cooperation with individuals, groups, firms or corporations, with federal, state, and local departments and agencies, and departments and agencies of other states in encouraging agriculture and developing programs therefore;

- Contact and cooperate with foreign individuals, businesses, or governments, to the extent permitted by federal law, to encourage and develop markets for Missouri agriculture products;

- Promotion of agriculture in this state by articles and advertisements in magazines, newspapers, radio, television, and other media by publishing promotional material including brochures and booklets, utilizing state-supported public television stations for the development of educational and informational programs and announcements, establishing promotional exhibits at fairs, exhibits, shows, and other similar exhibitions;

- Cooperation with state institutions of higher education in developing programs to assist and encourage agriculture in this state;

- Acceptance of grants of funds from any source for the promotion or assistance of agriculture in this state;

- Discuss, evaluate, and suggest policy and administration of the state programs for assistance to agriculture and farming;

- Report to each regular session of the general assembly as to the operation, administration, and development of the state's programs for assistance to agriculture and farming, together with its recommendations for legislation in the field of agriculture; and

- Devise and arrange for long-range programs for agriculture and farming within the parameters of law based on a plan of biennial development in accordance with the general assembly's powers of appropriation.

The bill also provides for a farm foreclosure negotiation board, which will serve as a negotiator be-

(Continued next page)



Speaking out: The Rev. Jesse Jackson speaks at a farm rally in Jefferson City last February. Several hundred farmers were on hand at the capitol steps for the event. The group was expressing support and opposition to several bills before the legislature. **Develop the ports:** State Sen. Richard Webster (R-Carthage) considers Missouri's rivers to be one answer to farm problems in the state. With port development, Missouri's geographic location could enable it to compete on the world grain market. (Photos by Martin Oetting)



Webster: why not develop ports?

By Martin Oetting

In discussing solutions to Missouri's farm problems, Sen. Richard Webster (R-Carthage) offers one idea which would create a more attractive market for Missouri grains.

The idea deals with development of river ports in the state, and springs from the geographical situation Missouri is in.

"If you look at where we are geographically, and why Missouri grew in the first place, you'll find it was largely due to the two major rivers within our state," Webster

said. "A river barge is a cheap way to transport anything. We are not properly marketing our agriculture commodities."

Webster said Missouri could get its agriculture products to the Gulf of Mexico cheaper than most states, and there be able to sell directly to foreign countries on the world market.

"We have the resources here you don't find in many states to get our commodities to foreign markets," he said.

He picked up a copy of *The Kansas City Times* and turned to the grain market listings. As he had

said, the price of grain "at the rail" was several cents lower per bushel than the price "at the port."

"The state department of agriculture should promote foreign deposits to promote Missouri products," he said. "Right now, our ports are sorely neglected."

Though Webster said farmers in southwest Missouri "probably wouldn't be too excited" about such a move, it would aid the situation of farming statewide, especially in the central and eastern portions of the state along the rivers where much of the most productive farmland is located.

State Government

tween a farmer who is in danger of immediate foreclosure or who has received a notice of foreclosure on a farm and who has petitioned the board, and any lender who holds a valid mortgage or deed of trust upon the farm property. The department of agriculture through the division of agricultural assistance shall provide staff to the farm foreclosure negotiation board to serve as negotiators for the board.

Any farmer facing foreclosure may petition the farm foreclosure negotiation board for assistance. The board may assist in the following ways:

■ The Board or its agent will negotiate on behalf of the farmer with the lending institution in an attempt to extend the term of the loan, reduce the dollar amount of payments under the loan, or otherwise negotiate a settlement which will allow continued operations by farmers.

■ In the event no settlement is reached the Board may guarantee up to 90 per cent of the loan, authorize a loan buydown of up to 5 points of interest, or authorize a loan for payment of up to one-half the interest paid on the property mortgage for up to three years.

■ If negotiation fails, the Board will negotiate to save the home quarter (160 acres including family home).

Any loan procured by the Board for the farmer must be repaid plus interest adequate to cover the cost of the program. The farmer must have the ability to meet new payment structure.

Grain marketing

HB 1319, sponsored by Rep. Norwood Creason, provides for Missouri to ratify and approve the interstate compact on agriculture grain marketing.

The purpose of the Compact is to insure the economic welfare of citizens and communities dependent on the production and sale of agricultural grains.

Included is the creation of the interstate agriculture grain marketing commission consisting of three members of each member state. The commission is empowered to study marketing practices, procedures, and relationships. The commission is to make recommendations for both state and federal legislation relating to agricultural grain marketing.

This Compact becomes effective when five states enact the legislation prior to July 1, 1987.

Agriculture bank act

House Joint Resolution 67, sponsored by Steve Danner, proposes a constitutional amendment to allow the Missouri General Assembly to establish a Missouri agriculture bank. The purpose of the bank is to issue loan guarantees and direct loans to commercial lenders for loans to farmers.

The bank may be funded by gifts, appropriations, and up to \$600 million in bonds. The proceeds of such bond sale are to be deposited into the bank fund. The bonds will

be retired serially within 40 years. The principle and interest is to be paid out of the Missouri agriculture bank bond and interest fund.

Each year money shall be transferred from the state revenue fund to the bond and interest fund. If there are insufficient funds to cover that year's interest and principle payment in the state revenue fund a property tax shall be levied for payment of the bonds and interest accrued.

HB 1278, also sponsored by Danner, creates the Missouri agriculture bank within the department of agriculture. This bank is given authority to make direct loans to commercial lenders who make loans to farmers and other agricultural enterprises, and to issue revenue bonds for the costs of financing loans.

Any commercial lender receiving loans or loan guarantees from the Missouri agriculture bank must certify that it will make loans prudently, that no recipient will have a net worth of more than \$300,000, that borrowers are actively engaged in agricultural enterprises, that no loan will exceed \$100,000, and that no loan will be made to any corporation or limited partnership.

Foreign land ownership

SB 446, sponsored by Sen. John Dennis, seeks to repeal a former act which prohibits foreign ownership of Missouri agriculture land. The FARM group expressed opposition to the bill at the February rally.

Webster previously sponsored a

similar bill in the Senate.

"Seven or eight years ago, we were scared the Arabs and Japanese would buy farm land in the state," Webster said. "Actually the last thing they want to do is buy farms. In talking to realtors, we're constantly receiving calls from Canadians who are constantly looking for American farm land. This current law destroyed that

market by prohibiting foreign ownership. Consequently, when there are no buyers, the value of equity goes down.

Webster sponsored a bill in 1963 to repeal the law, which resulted in some interesting effects.

"Immediately the price of land became stable," he said. "Then, with the oil crisis with the Arabs, there was a hysterical movement to

keep foreigners out. What many don't understand is that Arabs are not worried about buying farmland in Missouri or anywhere."

Webster said if the bill passes it will provide more stability to farm land, as well as provide security. Webster said he predicts the bill will not move in the current session.

"Most legislators who are farmers do not favor the bill," he said.

MO-BUCKS '86 will release funds for low-interest loans

By Martin Oetting

With hundreds of Missouri farmers in financial trouble, the state legislature recently pushed through a bill to release funds to banks for low interest loans to farmers and small businesses.

MO BUCKS '86, the low interest linked deposit program, was signed by Gov. Ashcroft, and as of March 18, \$187,458,572 was allocated to banks across the state.

Of that deposit figure, \$139,657,739 was allocated for agriculture loans.

To be eligible for the funds, banks had to submit applications to the state which showed enough interest in the loans to offset deposits, and each bank had to put up collateral.

"Requests for deposits totalled \$208 million," said Missouri Treasurer Wendell Bailey. "For the first round of allocations, banks will be receiving about 90 per cent of their requests."

Those who desire more information concerning MO Bucks '86 may

call a special hotline (1-800-MO BUCKS). According to Richard Hanson, assistant state treasurer, the hotline has been busy.

"We've had continuous calls—mostly people wanting basic information on how the program works," Hanson said.

The legislation passed allows Bailey to deposit \$150 million in Missouri banks for agriculture loans and \$50 million for small business loans. The banks pay 3 per cent less interest to the state and are expected to pass the interest savings to the farm and small business owners who qualify for the loans.

To be eligible, applicants must meet the following qualifications: be headquartered in Missouri, maintain operations and transact business in Missouri, have fewer than 10 employees, be organized for profit, and have no more than 60 per cent equity.

The loans are for production costs only. These expenses include, but are not limited to: seed, fertilizer, chemicals, production related

energy costs, equipment purchase, rental or lease, crop and stock insurance, custom harvesting expenses, labor, cash rent, livestock and normal repairs on equipment.

As of March 18, 279 banks across the state were taking part in the program. In southwest Missouri, the following banks have received allocations: First National Mercantile Bank of Monett, Boatmen's National Bank of Cassville, Citizen's National Bank of Monett-Pierce City, Commerce Bank of Barry County, First State Bank of Purdy, United Missouri Bank of Monett, Bank of Minden, Barton County State Bank, Farmers State Bank, First National Bank, Lamar Trust Company, Citizen's Bank of Carl Junction, United Missouri Bank of Carthage, McDonald County Mercantile Bank, Bank of Neosho, State Bank of Seneca, Bank of Harwood, Boatman's Bank of Nevada, Farmer's Bank of Walker, First National Bank of Nevada, Citizen's State Bank of Nevada, and Vernon County Bank.

(Below): Missouri State Capitol in Jefferson City. (Photo by Pat Halverson)



Missouri extension service provides help

By Pat Halverson

One of the most important organizations in Missouri which provides help to the farmers is the Missouri extension service.

Farmers and other Missouri residents rely on the extension service to answer questions and solve problems in a variety of areas.

The service is a part of the four campuses of the University of Missouri and Lincoln University, with educational programs offered by field-based staff in agriculture, 4-H, business and industry, home

economics, community development and local government, and continuing education.

"The extension service is part of a land grant university," said Janet Wolf, family management and home economics specialist for Jasper County. "The mission of a land grant university is to create institutions cooperatively funded to do educational research. We are a part of the U.S. department of agriculture and are funded by federal, state, and local taxes. State and federal taxes pay for salaries and research work. Local taxes sup-

port the local offices with counties supplying space for offices."

The extension service is used as an educational resource.

"Our director feels very strongly about that—answering questions for people," Wolf said. "We have access to all departments on the Lincoln and Columbia university campuses."

"People who use the extension service are looking for someone who cares, and who has an unbiased opinion. We help them decide what things they need to do and look for."

grams and unnecessary spending, will affect the services of the extension service.

"The President has targeted 59 per cent in reductions, including the food nutrition program—people who work with low income people, the urban gardening program, and the pest management program. Gramm-Rudman has had a 13 to 15 per cent reduction in the state. We will do whatever we can to tighten our belt, but we are urging our constituents who feel strongly about the service to write to their legislators."

The extension service provided help and information to more than one million Missourians over the last year, including help to farmers with farm management problems.

"People in the north of the state have been hit hard," said Wolf, "but it is coming this way. We need to be prepared so that we can deal with these things (stress and farm problems) more effectively. A lot of people were caught off-guard by the situation."

Passage of the recent Gramm-Rudman Act, which is designed to cut the federal deficit by cutting pro-

Missouri extension worker:

Prewitt helps farmers in areas of management

By Pat Halverson

Helping farmers in trouble is a daily job for farm management specialist Wayne Prewitt of the Missouri extension service.

Prewitt tries to help the farmer in all areas of farm management—improving the efficiency of the farm, dealing with stress, and sometimes going to the bank with a farmer to discuss alternatives when there is a problem with his financial situation.

"I am used as an uninvolved third party," said Prewitt. "I have had some successes helping to deal with loans, but sometimes it is too late."

Prewitt believes the farm picture is changing, not getting better.

"Some input costs are decreasing, such as fuel and fertilizer, but the price paid for seed has increased," he said. "For big fuel users, that (lower fuel costs) helps. Some prices have increased or stayed the same, but the price of inputs has not gone down. Machinery has to be replaced to continue production. The cash price of crops has gone down dramatically, but government payments increase to maintain production."

Many farmers are on government programs which help to maintain farm income which limits the amount of acres a farmer may produce of a particular crop. For example, if a farmer has 100 acres, 75 acres is all he can plant to be eligible for the government program. If he plants an acre less or an acre more, he is ineligible.

Prewitt said prices are projected to go down, but when prices are down, farm income is low.

There are farmers making money, and they are in good financial condition because they are not in debt.

"The 25 per cent of the farmers going bankrupt or having problems hold a phenomenal amount of debt," Prewitt said.

"They owe a lot of small banks and holding companies. It could cause a lot of banks to go under

and a lot of small towns to dry up because the money is not being paid back.

"I don't mean to be critical of the people who say things are looking better for the farmer," he said, "but farm rates are not going down. Interest is a major expense."

"The farmers are desperately looking for hope. Prices are going down faster than costs. From what I am seeing, they are depressed."

Many of the farmers who come to Prewitt for help are referred by financial institutions after they are already in trouble. He does a com-

prehensive financial analysis of five programs which determines the efficiency of the farm and its strengths and weaknesses.

"I don't like to dwell on the weaknesses," Prewitt said. "I like to use the strengths to overcome the weaknesses."

Prewitt believes those farmers in trouble now who still have a chance to survive should be aided. In the past, land was considered a good investment, and farmers were encouraged to expand.

"The same lenders who encouraged expansion are not help-

ing now," Prewitt said. "In 1979, the grain embargo caused a lot of problems. We were looked on as a supplier not to be depended upon. I don't consider it fair for the farmer to lose because of their loyalty in doing what they were asked. They were caught in someone else's trap."

According to an article published in *Economic and Marketing Information for Missouri Agriculture*, a long list of factors are responsible for the current farm situation. They are:

■ 1. Economists, farmers, lenders,

and government officials failed to accurately predict economic and political events and weather patterns several years into the future.

■ 2. Government policies first contributed to double digit inflation and later abruptly lowered the inflation rate, primarily through monetary policy.

■ 3. Economists, farmers, and lenders failed to understand the impact of double digit inflation on agriculture and therefore failed to anticipate consequences of reduc-

Continued on next page



'Farm picture': (Clockwise from top): Cattle seek the sparse shade during recent fair weather. Extension workers hope auctions and auctioneers like this man become rarer sights. A typical Southwest Missouri farm.

Extension Organizations

Mark Elliott, surviving farmer:

Those who overcome crisis 'tough as nails'

By Pat Halverson

Gloomy pictures are painted every day of the farming situation—families going broke, bank foreclosures, farm auctions, and bankruptcies. But there are farmers who intend to survive.

Mark Elliott, a 29-year-old Jasper County farmer, is one who plans to make a success of the family farm.

"There are people who will not survive this," he said. "The rest of us who are going to survive have to look at things in a little different light. We've hurt. When this is over, there will be more people like me—tough as nails. The people who are left five years from now will be able to run anything."

Farming is not just a way of life to Elliott and his family, but a business.

"The public has an idea of what farming is, and it isn't that way. We're stereotyped. People would be surprised at how it really is."

Elliott, his wife, Denise, and their three children farm 1,700 acres northwest of Joplin along with Elliott's parents, Tom and Ilene Elliott. Farming has always been the family's basic livelihood, although they are involved in other areas of business.

"The farm is a family partnership. My grandfather's farm has been in the family for a century. It has always been run like a business. We raise corn, wheat, soybeans, and grain sorghum. We have side things

we do, but it is just part of the business."

Elliott credits his wife and mother for their part in running the farm operation.

"The place wouldn't run without them," he said. Other than some help at harvest time, almost everything done on the farm is taken care of by the four family members.

According to Elliott, the present crisis was created by a combination of factors, including easy credit. A few years ago, money and credit were easily available to farmers and many took advantage of it.

"A few years ago, bankers didn't ask how you were going to pay, they asked if that was enough (money). You could literally write

your notes at the kitchen table," Elliott said.

And then the problems began.

"We have lived since 1979 with inflation in the agricultural sector—that is when it peaked out—then agriculture started deflating," he said. "The embargo on Afghanistan was not the thing that hurt us, but the straw that broke the camel's back. We have lived in deflation with the rest of the economy inflated. Only now are we reaping the benefits of low inflation, but we are still deflating ourselves."

For the first time, farmers are seeing fuel, petroleum fertilizer, and interest coming down. Real interest, Elliott said, is still too high as compared to 1976—5 to 6 per cent above what it should be. And what the farmer is getting for his product is also coming down.

"Since 1980, what we get for our product has gone down at least 30 per cent in adjusted net income," Elliott said. "There is not one farmer who has not felt the effects of the value of land assets. It has been a major blow."

Elliott expects to get a 1 to 2 per cent return on his investment.

"Many prices have gone down," he said, "but farm prices have gone up, which caused the prices at the grocery store to go up. Not many people can see that."

Elliott feels there really isn't much the state can do about the farm situation, and the recently passed farm bill "is hardly a band-aid. It creates \$220 million of debt at \$50 million in interest per day.

"A great irony in farming is that farm bills have been an effort to cut production, while FMHA, called the lender of last resort, encourages overproduction. Investors who got into the farm business as an investment tax credit didn't care what the profit or loss was. Policy has encouraged the situation they're (the farmer) in. I am not condemning—it is free enterprise—but tax incentives have encouraged people to stay in business."

According to Elliott, because of various farm policies, farmers haven't had the right to go broke. Depression about farm problems is not uncommon.

"So many things have happened to us (farmers) through no fault of our own," Elliott said. "When people get depressed, they quit reading the paper, and quit associating with others—they are in the middle of a crisis. They have to get more involved to see what happens, to relieve stress."

Elliott worked on the agricultural end of Gov. Ashcroft's campaign in 1984. He is currently president of the Jasper County Farm Bureau, and has lobbied and testified before the Missouri legislature on various matters. He is also on the Governor's advisory board on agriculture. Elliott feels his experience gives him a greater access to "people who can help people."

"I can sincerely say my reason for doing this is to help people," Elliott said. "I get great enjoyment from helping people."

Prewitt helps farmers

Continued from page 16

ing inflation.

■4. Borrowers making loan requests and lenders approving those requests on the basis of debt/asset ratios rather than repayment capacity.

■5. Farmers borrowing money at double digit interest rates to make investments yielding less than 5 per cent return.

■6. Government farm loan programs that financed 34 per cent of the increase in the farm non-real estate debt over the 1979-82 period.

■7. Weather problems caused crop failures and resulting disaster relief programs responded by providing low interest loans. Using borrowed funds, even at subsidized interest rates, for payment of production expenses on a non-existent crop increased the farm debt load.

■8. The 1981 farm bill that (when viewed with hindsight) overly stimulated U.S. agricultural production. Management of the program to minimize short-run budget expenditures also contributed to the problem.

■10. And, we dare not leave the government's imposition of grain

embargoes off the list of events contributing to the farm finance problem.

Farmers can no longer afford to be just farmers, they must be businessmen.

"There is no such thing as a farm anymore," Prewitt said. "It has to be a farm business. We have a problem getting people to keep records. The banks will have to have a leading role in getting farmers to keep records."

Records are necessary to the farmer in order to know where he stands financially, where the farm is strong, and where it needs to improve.

"I have farmers come in here with tears in their eyes because they feel like no one cares what happens to them," Prewitt said. "We are their only source of help. Those who survive will be hard to deal with—very conservative, strong management and organizational skills, and very efficient."

"Agriculture is our only source of wealth. We are taking more out than we are putting in. As a nation, we are cutting our own throat."



Still standing: (Top) Elliot, with farm machinery, is determined to make a success of his family farm. (Bottom) Elliot's house and farm; in the family for a century.

CFI Offers Jobs

Company offers 500 jobs to farmers:

Program at CFI designed to help farmers

By Mark Ernstmann

In an attempt to help out struggling farmers, Contract Freighters, Inc. has developed a new program.

The program is designed to get the farmers off their farms and on to the highway working as drivers for the Joplin-based trucking company.

"We decided on the program a couple of months ago," said Don D. Lacy, president of CFI. "We had a meeting in the last of February, and then another March 14 to develop it. We prepared a video titled 'Road to Recovery.'

"We stressed the down-side of the job," said Lacy, "the fact that you are on the road a lot of the time and away from your family and home."

According to Lacy, the company had recently purchased much new equipment, and had known from past experiences that people with farm backgrounds had proven to be good drivers.

"We had been hiring boys off the farm for years and years," said Lacy. "They are used to working hard and usually do well with us."

"In fact, our driver of the year this year, part of a husband and wife team, was a farmer that came to us."

Due to the recent rash of farm closings, CFI developed the special program. The program involves taking eight weeks of training at the Crowder Training School. After a student successfully completes the eight-week training session, he is assigned to a driver for four weeks.

"He then drives under the supervision of the other driver," Lacy said. "If the training is completed,

we guarantee them employment.

"They start out as full-time drivers at the same rate as our other drivers. For those four weeks, they are on a salary, but then they convert to mileage."

CFI realized that money for the program would be hard to come by for many of the interested farmers. Tuition to the Crowder School was between \$1,800 and \$1,900. The possibility of federal assistance was explored, and CFI found that funds were available.

"Not many of the men have to pay their own tuition," Lacy said. "Tuition is available from federal money that is administered by the state. That pays the tuition."

Those drivers interested who did not go through the CFI program are still accepted, but according to Lacy, "in many respects, we would rather have one go through our training than have other experience."

"There are some bad ex-

periences with some training schools," said Lacy. "They never really receive formal training. We want men who can drive."

The program has received much nationwide publicity; so much it has even surprised Lacy.

"We didn't realize it would draw this much publicity," he said. "People from all over the country are interested. When we started it, we really just had Missouri in mind."

Many companies have inquired about the new program started by CFI, and Lacy feels that many of them do not even know about the federal monies available.

"We get many calls about the program and we just refer them to the state trucking association," Lacy said.

Not only for farmers, the program is open to everyone with an interest. They must be at least 25 years old, be in good health, and have a good driving record.

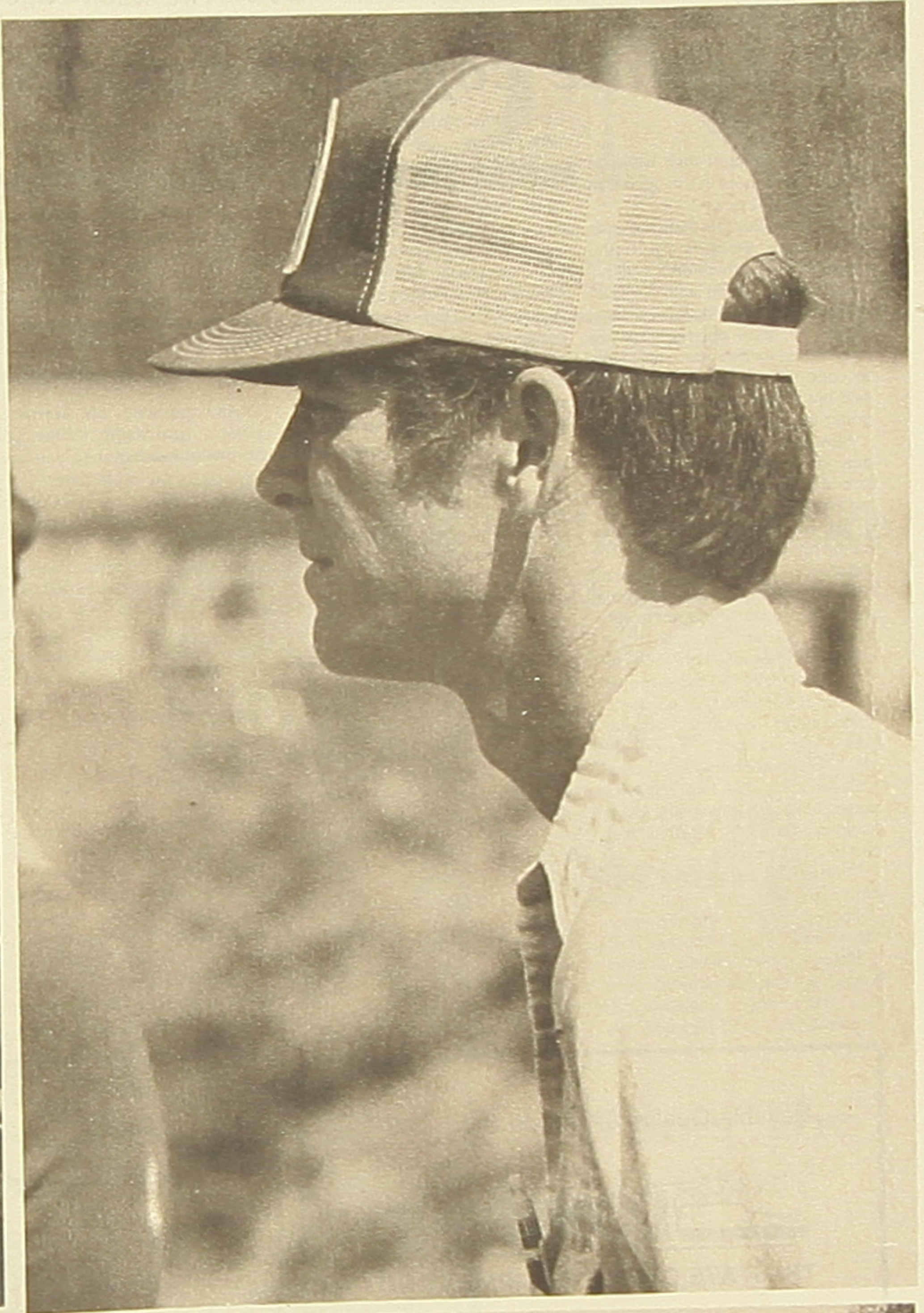
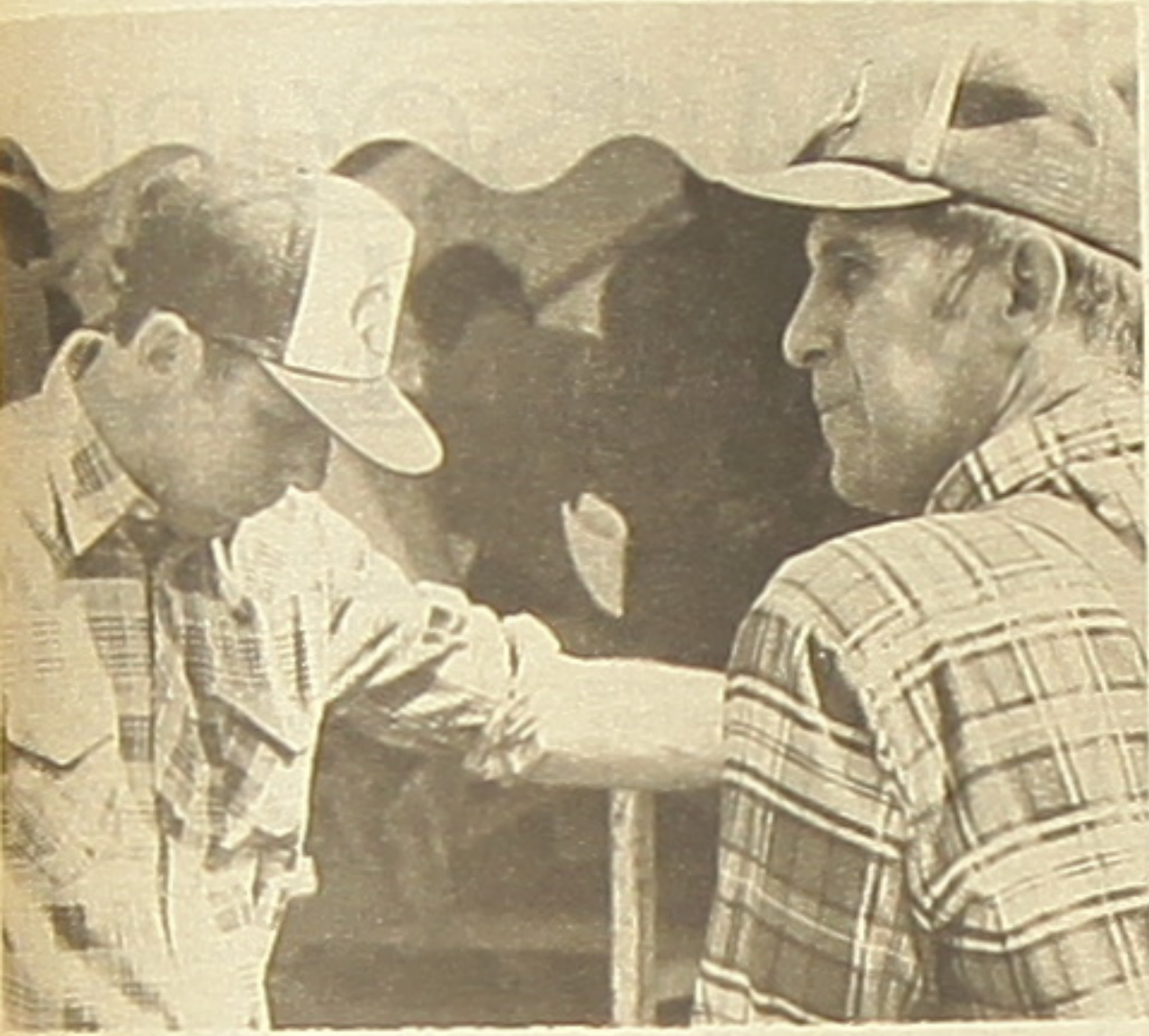


Jobs for farmers: Don D. Lacy (Above) feels concern for the situation many farmers are in, and as a result has started a new program designed to give them opportunities to drive for his company. (Above left) Many farmers resort to trucking as a side job for extra income. (Below) Contract Freighters, Incorporated is one of the largest trucking companies in the Midwest. (Photos by JoAnn Hollis and Pat Halverson)



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Farmers



Farm wives:

'A definite cog in the works'

By Jean Campbell

Farmers applaud their wives as partners and more in the operation of their businesses.

Do farm wives feel there is a crisis on the farm? According to Kathy Kellhofer, "Yes, there definitely is."

Kathy, who works with her husband, Larry, on the dairy farm where he grew up, feels having been raised in the system helps her to cope with the situation. Kathy said her mother "never thought of going to get a job."

However, Kathy works at a full-time job and helps with the operation of 460 acres of land and milking between 50 and 60 cows.

"An average woman has goals for the home. I have no such goals," said Kathy. "If I was not working to help, I don't know where we would cut back. My working is not to supplement the farm income, it is to support the farm. Right now we have a tractor in the shop and my income will have to help pay for it."

According to Larry Kellhofer, Kathy "goes to her job to work and when she comes home she works." Included in his wife's farm duties are errands to town for repairs, book-keeping, banking, helping with chores, and canning.

"She is just as involved in the farm operation as I am," said Kellhofer. "She is a definite cog in the works."

Having grown up on a farm, Kathy says she has observed now that more often machinery is "repaired instead of replaced. We

can't afford to keep up our land with fertilizer.

"Many farmers are deleting all kinds of insurance coverage," said Kathy. Since she works for the Sarcoxie Insurance Agency, Kathy is aware of the increase in rates on farm coverage. Insurance companies are naturally concerned as they anticipate farm losses and rates continue to go up. Rising insurance costs are only one aspect of that dilemma. Another is the reluctance of insurance companies to write coverage on business that is shaky.

Kathy gets up at 5 a.m. to fix breakfast and get Larry off to the barn. After that she gets the children up, fed, and on the bus for school. When the children are gone she does laundry and housework. About 9 or 9:15 a.m. she heads for work in Sarcoxie, which is four miles away. She considers being close to work as an advantage.

The insurance office where she works closes at 5 p.m. At 5:15 p.m. she starts supper, folds clothes, cleans up the kids' messes, and heads for the barn. In season she tries to squeeze in some gardening and lawn mowing. When it is crop planting or harvest time she drops everything to do the milking because Larry may be late getting in from the field.

"We spend three hours in the barn every milking," said Kathy.

Brent Kellhofer, an 11-year-old, feeds the calves and does other chores. Sometimes Sara, 7, goes to the barn with her mother and sometimes she stays at the house.

"I feel like my kids are suffering," said Kathy. "To be away during the day is one thing, but it is something else to be away at night. I don't feel like a mother at all. The children are really on their own. I just believe they need more from me at this age." Kathy says it will be too easy for them to think they are independent before they are old enough, since they have had so much freedom.

"The ones I feel sorry for are those operating on borrowed money," said Kathy. "When you borrow so much money, you have to think of the misfortunes."

Jack and Agnes McCormick bought a farm 15 miles east of Carthage 30 years ago.

Jack said, "Thirty-five years ago wheat was \$5.50 per bushel and a tractor was \$2,000." He says the wheat doesn't bring anymore money, and the cost of equipment and operations have increased dramatically.

Agnes identified her role as a farm wife with the task of "raising the kids, milking the cows, and driving the tractor," in that order. Jack says she drives the tractor all the time, for any chore where tractor driving is required such as baling hay and working ground.

"Most farm wives have to work out," said Jack "and it is fine for a small operation. But on an operation the size of ours, we both work all the time. For what she (Agnes) could make on a job, she is worth more on the farm," he said.

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